

97-84253-26

Baker, La Fayette Charles

Official report of
Col. L.C. Baker, U.S.A. ...

New York

1864

97-84253-26
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

332

Z

v.21

Baker, La Fayette Charles, 1826-1868.

Official report to the Hon.' S.P.Chase, secretary of the treasury, in the case of Stuart Gwynn and S.M.Clarke [Clark?], also the minority report of the Treasury investigating committee... Jan. 1864.

48 p. 23 cm.

Vol. of pamp.



only ref

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 11:1

IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 11-26-97

INITIALS: JP

TRACKING #: 29876

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

241.1
7

223
411-1

OFFICIAL REPORT

OF

COL. L. C. BAKER, U. S. A.,

TO THE

HON. S. P. CHASE, SECRETARY OF THE TREASURY,

IN THE CASE, OF

STUART GWYNN and S. M. CLARKE.

ALSO THE

MINORITY REPORT OF THE TREASURY INVESTIGATING COMMITTEE,

WITH ACCOMPANYING DOCUMENTS.

JUNE, 1864.

NEW YORK :
HENRY A. OLIVER, PRINTER,
No. 82 NASSAU STREET.
1864.

OFFICIAL REPORT

OF

COL. L. C. BAKER, U. S. A.,

TO THE

HON. S. P. CHASE, SECRETARY OF THE TREASURY,

IN THE CASE OF

STUART GWYNN and S. M. CLARKE.

ALSO THE

MINORITY REPORT OF THE TREASURY INVESTIGATING COMMITTEE,

WITH ACCOMPANYING DOCUMENTS.

JUNE, 1864.



NEW YORK:

HENRY A. OLIVER, PRINTER,

No. 82 NASSAU STREET.

1864.

EXHIBIT C C.

WASHINGTON CITY, D. C., April 1, 1864.

Sir: I have the honor to submit the following report in relation to the arrest of Stuart Gwynn, late a contractor to the United States Treasury Department for furnishing paper and presses for the fractional currency.

This arrest was made on the sixth day of January last, since which time the investigation of the case has been carefully made. This report has been delayed by the apparent indisposition of parties fully cognizant of the facts to testify in such a manner as to compromise Gwynn.

In several instances this indisposition is attributable to the fact that the settlement of their unpaid bills of large amounts, contracted by Gwynn with these individuals, depended entirely upon the exculpation and restoration of Gwynn to the confidence of the Treasury Department.

The investigations made clearly justify the wisdom and propriety of the arrest of Gwynn.

His criminality consists in his wilfully and wickedly defrauding the government of the United States in this: That while representing to the Secretary of the Treasury his ability to improve the fractional currency of the country, having been respectably introduced, and his statements sustained by some one or more (doubtless, interested) parties within the treasury building, he, the said Stuart Gwynn, has been pursuing a course of experiments involving the outlay of enormous sums of money, bringing disgrace upon the Treasury Department by his abortive attempts at postal currency, in the prosecution of an untried scheme or idea which he never before had the means to develop.

Except by the summary process of his arrest, these facts might have been suppressed for a time, as they have been heretofore. The prospect of his success at times furnishing sufficient inducement to those whose duty it was to long since give the information contained in this report to the honorable Secretary to withhold and suppress the true facts of the case.

Stuart Gwynn, as I am informed by his wife, who came to Washington city to obtain his release from the Old Capital prison, was a lunatic at one time, having been confined in a lunatic asylum. From parties who have known him for years I learn that he is an erratic, eccentric, and visionary individual, and a monomaniac on the subject of inventions; always has had on hand some plan involving large expenditures of money, and never himself in the possession of any means.

He has been engaged in various enterprises, and by the correspondence found upon his premises, copies of which accompany this report, I find within the past eighteen months, from immediately prior to his operations in the United States treasury, he has been directly or indirectly in the following enterprises: The plating of iron-clad steamers by a new process; the construction of telegraph lines by a new insulatory wire; the boring of the Hosaic tunnel; the sale to the government of a steamship called the "Nepon;" the charter of a propeller; a new ordnance heavy gun of some description, &c., &c., &c.

Sufficient has been gathered to show that the *making of paper* was not his legitimate calling; that it was *one of his ideas*; and his suggestions to the Treasury Department on that subject were merely incidental to the general objects he had in view in coming to Washington, which evidently was to improve his financial condition.

The manufacture of *membrane paper*, as he calls it, was the first proposition he made to the department. He claims to be the inventor of this paper, although by the correspondence submitted it would seem one Samuel C. Hart, of Boston, had been making the experiments.

332

Z

v. 21

14 May 1919

His introduction to the Secretary of the Treasury, I am informed, was made by the Hon. Mr. Hooper, member of Congress from Massachusetts, who was introduced to him by General H. Haupt, late superintendent of the United States military railroads. Mr. Haupt's connexion with Gwynn, and his interest in the paper contract afterwards awarded to Gwynn, are referred to hereafter.

The membrane paper furnished by Gwynn could not be treated like other descriptions of paper in preparing for printing. It was peculiarly different from any paper ever before made, and this peculiarity constituted its only merit. By all processes of printing heretofore known, the paper is moistened with water, dampened before being placed in the press. This membrane paper, when dampened, swells up and becomes shrivelled, like vellum or animal skin of any description. With this great objection so apparent, which should have caused the abandonment of all ideas of its practicability, Mr. Gwynn suggested the idea of *dry plate printing*; thus in order to effect the sale of his peculiar paper to the government, the economical process of plate printing, for so many years in use throughout the civilized world, *was abandoned* in the United States treasury to give way for *hydraulic printing-presses*, to enable Mr. Gwynn to print on dry paper, which could not from its nature be dampened, and which no known process, short of hydraulic pressure, could give sufficient force to print dry.

I have carefully examined the subject of plate-printing, and desire to make the result of my investigations a part and parcel of this report. I have received information upon the subject from practical persons, who have been working for years in that line of business, and whose experience, consequently, entitles their views to the most respectful consideration.

The respective merits of the hydraulic presses introduced into the Treasury Department by Dr. Stuart Gwynn, in comparison with the roller press commonly used for plate printing, I shall consider in regard to quality, quantity, and cost of the work done.

A hydraulic press, such as those in operation in the Treasury Department, will never print fractional currency or other notes *as well* as it can be done by the roller press, for the following reasons: In spreading a sheet of paper over the engraved plate a greater or less quantity of atmospheric air is caught underneath the paper. This air, if submitted to an equal pressure at one and the same time upon all parts of the sheet, will take refuge in the space left between the ink in each line and the paper. This air prevents the ink from reaching the paper and adhering to it; therefore, wherever such compressed air is present, the lines will appear very pale, or perhaps not at all.

The common letter-press is constructed similar to the hydraulic press—that is to say, the pressure is equal on all parts and applied at the same time; but the types being raised, and having space between each other sufficient to accommodate this compressed air, it is forced under those parts of the sheets which are to remain white and on which no pressure is exerted.

A wood engraving consists of raised lines, and the remarks about type printing are equally true with reference to the printing of a wood engraving. If some parts of such a print appear lighter than others, it is generally caused by an inequality of the back. An experienced printer will increase the thickness, if necessary, by pasting paper upon the block. If, on the other hand, some portions of the print are too black, the block is too thick at this point, and then it is made thinner by scraping the back, or by cutting a hole of the required size in the paper which is laid over the sheet to be printed.

The copper or steel-plate printer, printing on a roller press, employs similar means under the same circumstances as above mentioned, and does it

with the same effect, because the air caught underneath a sheet of paper is pressed out by the rollers passing over it, and does not therefore prevent the ink from adhering to the paper.

This lining with paper or cutting out will avail nothing in printing with the hydraulic press, and the increase of the pressure would not help the matter; for no matter how much compressed, the air will remain a compact body, separating the ink from the paper. It cannot escape, for it has not force sufficient to burst the iron case which imprisons it. Besides, the means above alluded to would be of no avail; for the air which is caught under the sheet of paper does not always accumulate at the same place of the plate. These defects in printing will not always be noticed by an unpracticed eye on a sheet of currency notes; but the fact might be established very clearly by printing an entire black surface, which could never be printed equal on a hydraulic press. It is, therefore, not to be wondered at, that the impressions made by such a press appear tolerably satisfactory to persons not accustomed to examine prints; but even such persons will observe that the face of the notes becomes smutty and indistinct after the back has also been printed. This is caused by the following circumstance: Each printed line, formed by the ink adhering to the paper represents a projection or eminence; if submitted to the pressure required to print the back, these lines, forming the drawing or design of the face, will be flattened in a manner partly to fill the white spaces between them, besides having a cragged appearance. The stiffer the ink used, the more this will occur.

Before proceeding I wish to remark with reference to the membrane paper furnished by Stuart Gwynn: Its texture is very hard, and therefore its surface does not take the ink; that is to say, none of the oily substance of the ink enters the paper, the effect of which would be to make the printing adhere better.

In printing upon the membrane paper all the ink stands on the surface, and might be removed almost entirely by mechanical means. The ink usually used in printing on the common roller presses, and on good soft paper, would give very bad results on Gwynn's paper. If membrane paper must be used, it can only be done by printing *if dry*, which, however, is utterly impossible on a roller press, and can only be done on a hydraulic press, which for this reason was introduced into the Treasury Department by Gwynn. From this explanation it is obvious that under any circumstances, even if better paper than Gwynn's is used, the roller press will produce better printed currency than the hydraulic press.

In regard to quantity or speed, the hydraulic presses are still more in disadvantage, at least judging from the experience of the past few months with those in the treasury.

The hydraulic presses worked by steam have attained only seventy-five impressions per day of eight working hours of one side of the currency.

On a roller press a good printer prints in the same time 1,000, or an average of 700 impressions of the same plate. The difference will be shown but by example: I shall, for instance, calculate the time required by one press of each kind to print one million of dollars in five-cent notes from plates containing twenty-five each. The average number printed by a hydraulic press in one work day being 75 on one side; two working days of sixteen hours will be required for seventy-five sheets, each containing twenty-five complete five-cent notes. The product of a double work day's work is therefore 1,875 five-cent notes.

In one year there are 308 working days of 8 hours, and therefore 154 double working days. To print 20,000,000 five-cent notes, at 1,875 for each double work day, would take 10,666 double working days, equal to *sixty-nine years and eight days*, upon a hydraulic press.

A roller press prints in such a double working day seven hundred times twenty-five, or 17,500 five-cent notes.

In regard to *speed*, therefore, one roller press is equal to six or seven hydraulic presses.

Stuart Gwynn promised to print four impressions in one minute; and not discouraged by the expenses of the past few months, he was confident of attaining this speed.

He also devised a plan for increasing the pressure, which he deemed necessary in printing by hydraulics. Of this fixture I shall write hereafter, in this report, and refer to it as a "receiver," as he termed it.

In regard to *cost*, the disadvantages in using hydraulic presses as against roller presses of the long-established character is much more apparent and far greater than in regard to quality and quantity of the work done. A hydraulic press costs twelve hundred dollars, and the attachments to complete it five hundred dollars, making, together, seventeen hundred dollars complete.

A roller press costs one hundred and twenty dollars, and its work being equal to six hydraulic presses, the same amount of work is furnished, well come, and in a workmanlike manner, upon a capital of one hundred and twenty dollars that is furnished by hydraulic presses, indifferently done, on a capital of \$10,200. This is bad enough, but the disproportion becomes still more startling.

During the three months prior to the 1st of January last, twelve of the hydraulic presses placed in the Treasury Department by Gwynn broke down and were rendered utterly worthless. Of all the roller presses used during this time not one broke down, or required any repairing worth mentioning.

One million of dollars in five-cent notes I have shown requires about 69 years to print upon a single hydraulic press, at the average speed attained. Pre-supposing that twelve presses should break down during each and every three months out of twelve, as has been the case, we should require two hundred and seventy-three presses for printing one million of dollars, representing a loss of four hundred and sixty-four thousand dollars.

From the reasoning of the case as I have presented it, I conclude that the roller presses are preferable in every respect to the hydraulic presses for printing our currency, and already Gwynn has caused a loss of nearly two hundred thousand dollars to the government by introducing these hydraulic presses in order to profit by his paper contract. In order to satisfy myself of the truth and accuracy of the statements relative to the comparative speed of the two methods of printing in use in the National Currency bureau, I accompanied the honorable Solicitor of the Treasury to the press-rooms of the bureau.

By actual observation of time, I learned that three minutes and forty-one seconds was the average time of six hydraulic presses occupied in taking impressions on one side of a single sheet, while by the roller presses two impressions per minute were easily made.

Mr. Clark asserts that this test is not a fair one, as the hydraulic presses are now being worked by hand; when steam presses are used, he expects to obtain greater speed.

It is not contended, however, by Mr. Clark that the application of steam-power will by any means improve the character of the work performed, and it will not decrease the liability in the least of the presses to break.

I have the honor to call the attention of the honorable Solicitor to the following statement of Charles Neale, assistant superintendent of printing for the fractional currency, in verification of my expressed opinion herein relative to the hydraulic printing:

"I was appointed to my position on the 11th of October, 1862, and was immediately sent to Philadelphia and New York to procure the necessary presses

and workmen to print the fractional currency. The men were to report at any time after the 1st of November, 1862.

"The roof was not on the building in the Treasury Department till some time in January, 1863, and we had the presses up some time in March. I then wanted Mr. Clark to furnish bank note paper, and go on printing in the old mode, in order to supply the demand for currency, but this he declined doing. Dr. Gwynn's experiments with the membrane paper, and his new mode of printing (printing on dry instead of dampened paper), have been going on from that time till October last. The doctor was very sanguine, but all practical men pronounced the plan impracticable. The paper would not absorb ink, and although one face of the paper might have a good impression, it was very difficult to print the other side; it required two-thirds more power to do so, and many of the presses could not bear the necessary strain, and broke. When we came to print the second side, the paper would have become so very hard that it would not take the ink.

"Nevertheless, the doctor came to the conclusion that the thing was a success, and he ordered some 'eighty-five' presses to be built, costing from \$1,100 to \$1,800 each; there are some forty-five presses in the large room, but we never could use more than half a dozen of them at a time; and at present we have only three of these hydraulic presses at work. It costs as much to run one of these presses, by steam, as it would if they were all at work.

"The process of this plan of Dr. Gwynn's is very slow, and it requires much better ink than the ordinary copper-plate press printing. With six of the presses the average daily number of impressions (single) would not exceed seventy-five. With the other bank-note paper and the common copper-plate press, there can be 800 impressions of the same size taken in a day.

"We are now working off impressions on the ordinary presses, having about fifty of them running day and night, and about 100 men employed.

"I mentioned to Dr. Gwynn that I expected the Comptroller of the Currency would soon be appointed to organize the bureau. He said that he was over and above Comptrollers, and that his arrangements with the government were such that if the Secretary himself should come in, it would only be as a matter of courtesy. I wanted to know a little more about the process, in order to see whether I would take an interest in the patent so as to secure myself a permanent situation, and he remarked that hereafter there would be no changes in the department; that it would be managed like the Bank of England, and that the men who were faithful, honest and capable, would be retained."

From Mr. Clark, superintendent of the Currency bureau, I have received the following information: Mr. Clark claims that the principle of Gwynn is correct. The presses, however, which were designed by Gwynn, are not made correctly, being the weakest in the most important parts. In consequence of these errors the castings of the presses are being constantly fractured—the pressure necessary in printing by this method being greater than the iron can withstand. Mr. Clark further informs me that all the presses will burst when the requisite pressure is applied to them.

Out of seventy-seven presses made and placed in the department building at the instance of Stuart Gwynn at an average cost of seventeen hundred dollars each, including the necessary attachments, twenty have already been damaged beyond repair, and with those remaining it is only a question of time as to when they will be rendered valueless.

This imperfection in the design for hydraulic presses has been discovered after an outlay of over one hundred thousand dollars had been made for machinery, and so far as any practical benefit to the government is concerned has proved a miserable failure.

It is with these hydraulic presses, and the machinery appertaining thereto, that the government, through Stuart Gwynn, has been placed in a false position towards several extensive machine manufacturing companies, and they in turn

have been placed in a false position towards the government, with a fair prospect of great pecuniary loss to them (the machinists).

It will be shown that the *assumed official position* of Stuart Gwynn led parties to credit his orders and instructions implicitly as from the government of the United States, while he, Gwynn, was at the same time rendering bills to the department in his own name, and for his own benefit, for the identical machinery these parties had, in some instances, charged on their books to the United States Treasury Department.

By reference to the copies of letters, &c., accompanying this report, it appears that Stuart Gwynn, without any adequate means for such an enterprise, and without any explanation as to his ability to carry out such a scheme, commenced making preparations in the early part of the year 1863 to print by hydraulic pressure the issues of fractional currency; and also to change the whole character of the paper upon which it was printed, by substituting what he called membrane paper for the United States government.

In connexion with parties equally irresponsible, as is shown by the copies of correspondence between them, namely: C. W. Bond, New York; H. Haupt, Washington city; Samuel C. Hart and Edward Hamilton, of Boston, Stuart Gwynn inaugurated an enterprise involving a large cash outlay and investment of capital. This all, too, in the prosecution of an untried experiment, and without the ability upon the part of either or all the parties to respond to the loss in case of failure.

General Haupt claims, in a letter to Stuart Gwynn, under date of May 17, 1863, "before he (Gwynn) got the contract, he (Haupt) exerted himself to bring his discovery to the notice of the Secretary of the Treasury, used the influence of his position and associations to bring him (Gwynn) into notice, but not for pay, but from personal friendship; still Gwynn gave him to understand that he was to be interested;" he also refers in this letter to the interest of a C. A. Browne, of Boston, in the following language:

"And as Browne had not performed any real service in procuring the contract, you decided to liquidate his (Browne's) interest of ten thousand dollars, to be paid from time to time, but mine was left undetermined and indefinite; occasionally you inquire if my brother Lewis acted as agent for Mrs. H., and expressed an intention of putting a paper in his hand."

It was through General Haupt that Stuart Gwynn was introduced at the treasury by Mr. Hooper, M. C., as well as by Major-General McDowell.

C. W. Bond, of New York city, formerly commission merchant of San Francisco, California, whose letters to Gwynn are evidence of the statement, was to act as the banker for Stuart Gwynn; under this arrangement to accept Gwynn drafts in payment for the necessary machinery, and to be placed in funds by Gwynn out of his receipts. For Mr. Bond's want of responsibility, peculiarly, the letters referred to furnish abundant proofs.

Samuel C. Hart, it would appear by the tenor of his letters to Gwynn, was the inventor of the membrane paper, which Gwynn was to furnish the department for the fractional currency, although Gwynn claims to have perfected the invention previous to July, 1862, as will appear by reference to his written statement accompanying this report. He constantly appeals for remittances of small sums of money with which to prosecute his experiments.

Edward Hamilton, ex-commissioner of emigration for the State of Massachusetts, at Boston, writes for the return of about \$400, expended in experiments for account of Gwynn in various matters; is interested with Gwynn in telegraph and railroad matters, also iron-clad armor. Has no money; must lobby at Boston; can realize about \$20 dollars per day from charter of a vessel, if Gwynn can help him get a charter from the government; speaks of coming to Washington, "if he can be of use, so that he and Gwynn can labor together for good."

These parties named, judging from the correspondence submitted, and extend-

ing over a period of twelve months, are the intimate associates of Gwynn in various enterprises, including the special one of printing fractional currency upon membrane paper by the new process of hydraulic pressure. Without money and without credit, they undertake an enterprise of the great magnitude of supplying the fractional currency of the country.

The prolific brain of Gwynn soon suggested the method of obtaining the machinery required.

He at once fitted up elegant apartments for officers in the treasury building, by permission of Mr. S. M. Clark; had an extensive laboratory arranged for his chemical experiments in the preparation of colored inks, &c., required in the printing of currency.

He was active in his assistance to Mr. Clark, the superintendent of the National Currency bureau, and by identifying himself with Mr. Clark as closely as possible, and with the various apartments of the Currency bureau, the impression was readily taken by the public that he was a government employé of distinction.

The effect was striking in the case of Messrs. Poole & Hunt, machinists, of Baltimore, Md. This firm had been furnishing at odd times parcels of machinery to the order of S. M. Clark, superintendent of the National Currency bureau of the Treasury Department. They were waited on by Gwynn, who ordered large amounts of work for use in the Treasury Department. Messrs. Poole & Hunt had been informed of Stuart Gwynn's erratic and eccentric character, and before taking his orders seriously into consideration they visited Washington. Coming to the Treasury Department to consult, as they intended, with Mr. Clark as to the propriety of filling so large an order for Gwynn.

When they reached the apartments of Gwynn, and found a messenger stationed at his door, and all the formalities of the chief of bureau observed in their approach to the gentleman, they really reproached themselves for permitting themselves to doubt the true character and position of Mr. Gwynn in the Treasury Department, and returned to Baltimore without even consulting Mr. Clark, lest affront might be given to Gwynn thereby and they lose the order. In proof of their impressions, the work they furnished has been all charged to the United States Currency bureau on their books.

After the delivery by Messrs. Poole & Hunt of several thousand dollars worth of machinery, they rendered their first bill made out against the United States, sent under envelope to Stuart Gwynn, Washington city. Much to their surprise Gwynn returned the bill, and requested them to render it in his (Gwynn's) own name, as the collection of the account would be greatly facilitated.

Shortly after this, Stuart Gwynn called on Messrs. Poole & Hunt, and proposed to them that a party in New York, a Mr. Bond, would accept his draft for a commission of two and one-half per cent. for the bills of machinery, thereby saving time and greatly simplifying the collection of the accounts. Messrs. Poole & Hunt agreed to this arrangement, and were paid an amount of money in this way, the draft being drawn by Stuart Gwynn on C. W. Bond, of New York, and the paper upon which the drafts were written was the official letter headings of the National Currency bureau, Treasury Department.

Messrs. Poole & Hunt, who are likely to be largely losers by these transactions made with Stuart Gwynn, state distinctly, that upon his own responsibility Gwynn could never have had one dollar's credit with them; and had they not been under the full belief that Gwynn's acts were, if not official, under official sanction, and their work being placed in the Treasury Department building, he never could have had one dollar's worth. Here, as if to strengthen the conviction of Messrs. Poole & Hunt as to the governmental character of the orders of Stuart Gwynn, a new feature was presented: Brigadier General Haupt, known to them and the public as the manager of the United States military railroad only, and not as the associate and friend of Gwynn, caused United States military railroad cars to be detailed for transportation of the presses and machinery furnished by Messrs. Poole

& Hunt, to run between their (Poole & Hunt's) shops in Baltimore and the city of Washington.

In the case of Messrs. Hayward, Bartlett & Co., machinists of Baltimore city, the original charges on their books are made to Stuart Gwynn. They (Hayward, Bartlett & Co.) had known Mr. S. M. Clark as superintendent of the Currency bureau, and finding that Gwynn was in daily communication with Mr. Clark, also that Gwynn had elegantly fitted up offices in the treasury building, could not doubt the propriety of crediting so important a personage in the department; when, as they saw themselves, the work which Gwynn ordered was for government use, and was placed on its receipt in Washington in the government buildings, they (H., B. & Co.) felt sure that if anything had been wrong Mr. Clark would have apprised them of it.

In the case of the Woodruff & Beach Manufacturing Company, of Hartford, Connecticut, Mr. Woodruff, of that concern, states that his knowledge of Mr. Gwynn's previous history would entirely forbid his crediting him one dollar on his individual responsibility; that he (Mr. Woodruff) has known Mr. Clark in connection with the treasury, and was influenced by the impression that if Gwynn's enterprise was not officially sanctioned, he (Clark) would have apprised the Woodruff & Beach concern of the fact.

The presses and machinery ordered by Gwynn of the Woodruff & Beach Company were charged direct in their books to the United States Treasury Department, but on rendition of their bill Gwynn returned it and requested that it be made out in his (Gwynn's) own name, as it would greatly facilitate the prompt payment of the money. How true this statement was may be judged from the fact that the original bill, sixteen thousand eight hundred dollars, is still to this day unpaid, with the exception of eight hundred dollars, for which Gwynn remitted to Hartford, Connecticut, his draft on C. W. Bond, of New York city.

All of these parties named here reluctantly stated the facts hereinbefore recited in reference to Gwynn and their transactions with him, as their whole hope of recovering doubtful claims, amounting in the aggregate to over sixty thousand dollars, is, as before remarked, centred in the restitution of Gwynn to place and power again. The claims they might have had against the United States have been vitiated by the recognition of Gwynn as the purchaser of their machinery in the rendition of their several bills; and although the property delivered by these parties is yet in the possession of the United States, its entire worthlessness for the uses and purposes intended, as is now clearly demonstrated by the few months' test it has been subjected to, will cause the government to abandon its use and to decline recognizing the claim upon Stuart Gwynn which these parties have, as the government can possibly derive no benefit from the machinery thus left upon its hands.

The following is a copy of the voluntary statement made by Stuart Gwynn:

My business is that of a consulting engineer, chemist and inventor; I am forty-six years old; have a family of wife and five children. The homestead of my family is in Cortlandt township, Westchester county, New York. The real estate, household furniture, &c., belongs to Mrs. Gwynn; I have been in Boston a considerable portion of the time since 1855, but always considered New York city as my residence, having rooms and places of business there. My first correspondence with the Treasury Department commenced about June or July, 1862. It was in regard to have that department adopt a new kind of paper of my invention. After a few letters had passed, some containing samples of the paper, I heard nothing from the treasury for several months, up to about October, 1862, when I received a telegram from the honorable Secretary of the Treasury asking me to come to Washington immediately. I hesitated, as I was then very busy with other matters, as railroads, gas apparatus, new telegraphic instruments, &c., making at least five thousand dollars per year, with excellent prospects of increase-

ing it, as one of the parties (Mr. E. Crane as chief and others) promised to increase my income (their share) some \$3,000 per annum. I was then receiving from them up to \$10,000 per annum if a charter and other legislation could be obtained to consolidate certain railroads. This charter, &c., was obtained in the spring of 1863, and I am now acting as the consulting engineer of the party for the promised salary. I was also to receive from the same party, at an early day, such sums as I might require to an extent, if necessary, of \$50,000, to carry out several of my inventions connected with steam-engines and railroads.

I was at that time also receiving advances from other parties (among them C. Allen Browne, George Odiorne, &c.) to assist me in completing inventions and in obtaining patents I was then engaged on. I consulted with the parties interested with me, and they consented to my going to Washington to learn what the honorable Secretary, S. P. Chase, wanted of me in regard to the "paper." The result of this and a subsequent visit to Washington was making a contract with the Treasury Department for the new "bank note paper."

The price named in the contract was (I think) \$5 60 less per 1,000 sheets than the kind of paper then used; I calculated that I should make \$3 to \$4 (25 to 33 per cent.) per 1,000 sheets profit, which was about the per centage made at that time by paper-makers, and it was no secret to the parties in the Treasury what I expected to make. The peculiarity of the "paper" was such that it was to be partly made at the mills, and, under the direction of my assistants, by my operatives in the treasury building. And rooms, power, &c., were to be assigned for the purpose, as the "contract" will fully show. The "contract" in rough draft was drawn by me, corrected by S. M. Clark, then examined and recorrected by Edward Jordan, esq., Solicitor of the Treasury, and signed in duplicate by the Hon. S. P. Chase, Secretary of the Treasury. I went on, in pursuance of this contract, to procure the necessary machinery for use in the treasury and to make contracts with "paper mills" to supply me the raw material. Shortly after my contract was signed there was a rapid advance in paper stock, so that my expected profit bid fair to be small if the rise remained permanent; this I did not believe would be the case, and the subsequent fall in price justified my judgment, although not now as low as when the contract was made. The parties with whom I was connected agreed to allow me to attend to this matter at the treasury without any diminution of income, as it was expected I would only be in Washington about one-quarter of the time, while other parties of large means, who saw the great necessity of having *perfectly safe* "government issues of indebtedness," agreed to advance me from time to time, as required, means to fulfil my "contract."

In all, these offers were for a very large amount; I only availed myself of them to an extent of some \$8,000 to \$11,000, all I yet needed. During my visits to Washington, while getting ready to supply paper according to contract, I learned from Mr. S. M. Clark the *broad plan* that was laid down to make the *issues perfectly safe*. It involved not only a new kind of paper but a new style of "engraving," a new method of printing, (if it could be done), new kinds of inks, &c. I entered heartily into the work of assisting by my *very great* (that is admitted by all) chemical and mechanical talents and knowledge to make practical the different parts of the "plan." I devoted every minute I could take from other duties to experimenting; I looked for no other reward, never wished for any, never expected any for my time and outlay of money (which was large in machinery, apparatus, salary of assistants and traveling expenses) except the profit I expected from the supply of "paper." This I knew would be a large annual sum from the quantity I was certain would be required, and I was sure to have a monopoly of the supply. (See contract.) Rooms for paper making, laboratory, offices, &c., were assigned to me as I was fully understood to be the "volunteer consulting engineer and chemist to the national note bureau" without official rank or pay, (for I would accept neither,) therefore free to go and come as I

pleased with my assistants and operatives. This was fully approved of by the honorable Secretary of the Treasury, as an official letter of about June, 1863, will show. Up to this time, (June, 1863,) and subsequent to it, I received several payments of money from the Treasury Department for various machinery, apparatus and material furnished to it, but in no case, to my recollection, was I ever paid one cent in advance of the delivery of the articles, and at the time of most of the payments large deliveries were made of articles for which bills had not been rendered. No payment was ever made except on a regularly certified bill. In most cases the articles I received pay for had previously been paid for by me or my friends. I never purchased any article that I can recollect as the agent of the Treasury Department.

I never called myself its agent; I never said I was authorized to purchase goods for it; I always purchased through my friends or as an individual, or as a trustee for other parties, (this I have done in other business affairs for the last eight years.) In the latter case I explained to the parties I bought from that I did it as a matter of safety to them and myself, because I thought some old creditor (I failed in 1854) might attempt to stop the treasury from paying me. In most cases the articles I furnished the department (so far as I recollect all were, except, the machinery for "dry printing," and much of that also) were invoiced at cost price, and in many cases the cost price was as much as twenty-five per cent. less than the treasury was paying for exactly the same articles from the same sellers. In no case had I any intention or desire to make profit out of the government except on my "paper contract." In the few cases of machinery in which any advance on cost price was charged, I did not intend them in the total to be more than enough to cover commissions paid to parties for purchasing, interest, freight, insurance, breakage, &c. I have not yet collected anything from the treasury for the supply of "paper" I have furnished. It was being made daily at the time of my arrest. I was to have had a settlement and payment for the deliveries made up to January 1, 1864, as soon as the amounts could be adjusted.

I think the last payment I received from the treasury for machinery was in August. If my recollection is correct, one bill of over \$14,000 was rendered in September, 1863, and remains unpaid. Another of upwards of \$47,000, of December 30, rendered, is unpaid. The amount due me for paper, &c., must in all exceed \$70,000, while I have in addition a large value of "stock" in the treasury to convert into the "national paper." In addition to all the above, is some \$25,000 to \$30,000 worth of machinery, additional to that delivered, (as named in the bills representing before-named amounts,) which is in great degree completed, and ready to deliver as soon as rooms could be finished for it.

I owe for it and for the above-named amounts, or nearly as much. I will be brief in what I have to say in regard to the charges of "extravagant personal outlays."

Instead of boarding at a hotel, I rented a furnished house in Georgetown, in connexion with General H. Haupt, in April, 1863. During his stay, my share of the expenses was \$65 to \$70 per month. After he left, in November, I got a party to come in and agree to bear half the cost, (General Haupt had paid for more than half.) The estimate we made was, total \$250 per month; my half, \$125; to this add my horse keep, which is not equal to the wine and cigar bills of most men in my position, (I use neither,) and my bill of wines, &c, for friends in two years does not come up to \$100. That, with a small outlay for a few necessary articles for the house, is the "Washington extravagance." That of New York was *this* and *no more*. Since 1856 my family had lived in the country at the homestead; my children (I then had seven) had not been to school, (1862;) no schools in the neighborhood. In February, 1863, I lost, within three weeks of each other, my two youngest darlings, girls of six and eight years of age. Absent in Washington during the sickness and death of the eldest, and absent in

Boston during the sickness of the other, only getting home to have her expire in my arms, my wife charging the death of both to the fact that I would not arrange to have her come to the city in the autumn of 1862, as I had promised, and as I would have done, but for my engagements with the Treasury Department, that so engrossed my time. I felt absolutely compelled to bring them to New York in the autumn of 1863. On calculating the cost of boarding for four or five months in the city each year during their (the children's) education, I found it would be cheaper to purchase a small house. This was done; price, \$8,000; cash paid down on it, \$1,600; balance, \$1,000 per annum, six per cent. interest; furnishing cost about \$2,500. The money for these purposes was borrowed until I could collect funds due, which was wholly unconnected from any Treasury transactions.

In conclusion, I will state I have no one associated with me (beyond the extent before named) in my "contract" with the Treasury Department. Those I have never paid, or promised to pay, any officer of the department, or any friend or person for them, one copper, either as commission, fee, or present. I positively state I never had any understanding with any one of them in regard to any future share of profit, but that in all things my dealings have been frank, open, and aboveboard. If there has been any irregularity in my transactions with the department, it has been from ignorance. I have had but one end in view, viz: the full success of the "plans" required to prevent counterfeiting and fraudulent issues, well knowing my interest was in that success, for in it was involved the exclusive use of my "national paper." I now demand that I be fully informed of, and that I receive a copy of, the charges on which I was arrested and am held, (and have been for twenty-four days a close prisoner, on a convicted felon's fare,) that I may meet my accusers face to face, and prove my innocence and their accusations to be false.

WASHINGTON, January 25, 1864.

A careful reading of the above statement suggests the following "questions," viz:

Who are the other parties referred to, with large means, who saw the necessity of having perfectly safe government issues of indebtedness, and who agreed to furnish large means, &c.? Was it General Haupt? No; because, as shown from his own letters to Gwynn, he was peculiarly embarrassed, and was constantly appealing to Gwynn for money.

Was it Edward Hamilton? No; he was still more embarrassed than General Haupt, as he admits.

Was it C. W. Bond? No; for every dollar he paid out was first advanced by Gwynn.

Was it Van Choate or Hart? No; for they are constantly importuning Gwynn for small remittances.

If none of these, who were the public-spirited individuals referred to?

Stuart Gwynn, however, only avails himself of these munificent offers to the extent of \$8,000 to \$11,000, "all he needed."

Gwynn further informs us that from Mr. S. M. Clark he first learned the "broad plan" that was laid down to make the issues perfectly safe, and that said plan necessarily involved not only a "new kind of paper," but a new style of engraving, a new method of printing, viz: by "hydraulic presses," &c.; that he entered into the arrangement heartily, working night and day, with no expectation of receiving any pecuniary compensation, except that derived from the sale of "membrane paper."

Stuart Gwynn further states that he never purchased any article as the agent of the Treasury Department, never called himself its agent. This statement cannot be true, for we find in all of his purchases from Messrs. Poole & Hunt, Woodruff & Beach, and others, the bills were rendered direct to the Treasury

Department, and were so charged on their respective books; besides, it is before conclusively shown in this report that the gentlemen referred to above had not the least doubt of Gwynn's official and even confidential connexion with the National Currency bureau.

In reviewing the subject we find that under date of August 29, 1863, after a severe attack had been made upon the system of dry plate printing, membrane paper, &c., by communications addressed to the Secretary of the Treasury, and among others, one from Mr. Wilson, president of the Continental Bank Note Company, Stuart Gwynn, over his own signature, made a proposal in writing to the Secretary of the Treasury, of which the following is a copy:

"Moved by Mr. Wilson's insinuation in his letter to Secretary Chase, August 27, he will bind himself to Secretary Chase: 1st. To furnish seventy presses, 11 inch rams, and such others as the department may require, complete, with apparatus required to work them, as per bill attached, marked 'A,' and for the price there named, and the conditions as to use specified. 2d. Binds himself to assume loss, if he does not print for one-week (if plates prepared and paper applied) three dry impressions per minute. 3d. If he fails, will remove them at his own cost, and authorize Clark to retain and pay over to proper parties whatever may be due or become due him."

This proposition to the Hon. Secretary appears to have been immediately acted on and we find Gwynn at once in communication with various machinists in reference to the manufacture of hydraulic presses for the United States Currency bureau. Without even the ability to pay for these presses in the first place, Gwynn pledges himself to "remove them at his own cost," from the department buildings, if they do not perform the given amount of work per minute; and without a full and frank definition of his position as a contractor to the government, and under the coloring of official position, Stuart Gwynn caused expenditures to the amount of one hundred thousand dollars to be made by innocent and disinterested parties, who were entirely unaware of his nefarious schemes.

Without capital, and with no moneyed friends or associates, Stuart Gwynn, as the result plainly shows, has mulcted these several machine manufacturing companies in the sum of the various balances due them for work done and materials furnished. For by the error in design of the presses, the drawings for which were furnished by Gwynn, the presses are made inadequate to the work assigned them, and one by one they are being removed from the treasury building, damaged beyond repair, and worthless excepting as old castings. These damaged presses can be seen at this date, laid aside and awaiting removal among the rubbish heaps of the grounds adjacent to the treasury building.

It is shown by the careful perusal of the papers accompanying this report that Stuart Gwynn and his associates, all needy men, were ready to "help their country," as expressed in many ways throughout these papers, "from motives of patriotism," at any and all times, and in any possible way—from "iron-clad armor-plating" to "telegraphing for Uncle Sam," from the sale of the steamer "Nepion" to the charter of another, of which "twenty dollars per day profit can be realized, if Gwynn can secure the charter," and finally hitting upon a plan to assist the Treasury Department by making "fractional currency."

We find the combination brought to bear upon the Secretary, so that Stuart Gwynn is permitted to enjoy his confidence; General Haupt, using his official position and associations to bring him (Gwynn) to the notice of the Secretary of the Treasury.

The confidence of the Hon. Secretary in Gwynn and his operations having been secured in the manner as before shown in this report, Mr. S. M. Clark's official interposition was only required by his daily assurances of success in Gwynn's various insane projects; this, as the report will show, was freely accorded him.

Gwynn, without one dollar, assumed to pay hundreds of thousands in case of

failure of a new and untried project, and with the boldest effrontery put on a style, and fitted up apartments in the treasury building, so as to convey the impression that he was what he was not.

By such unworthy means as these, aided by writing letters at times, as well as drawing drafts upon official letter paper, he (Gwynn) obtained "a credit" which under no other circumstances could he have obtained.

The result as now seen is what might have been anticipated—an utter failure, with no means of responding to the unpaid accounts of those who have been so greatly deceived and so foully wronged.

I now have the honor of directing your attention to a subject of grave importance, in connection with the operations of Stuart Gwynn, involving no less than the permanent injury and mutilation of the Treasury Department buildings.

This magnificent structure, complete in all its details, having been designed and constructed, so far as it is finished, under the superintendence of the first architectural talent of the country, has received most severe and unnecessary abuse, under the direction of Gwynn, sustained by others connected with the department, who were entirely conversant with his designs and projects.

The north attic room of the west wing was selected by Gwynn as a receptacle of the seventy-eight hydraulic presses ordered by him, and to-day a dead weight of nearly two hundred tons is sustained upon girders, designed for no such purpose. Many of the rooms in the building now occupied by the clerks in the department, with their office furniture, etc., are supported by heavier girders. The consequence of this most unusual load for the attic rooms of the building may be observed in the deflection of the cast-iron beams supporting its floors.

The architect of the building is satisfied that the injury already sustained is permanent in its character, and even should the dead weight be removed, the beams must retain the deflection of one to one and a half inch, as, in the nature of the material, cast iron cannot return to the straight line, as might be the case with wooden girders.

The most startling of all of Gwynn's eccentricities, as displayed in his operations with the treasury, and which is a criminal assumption of power upon his part and his advisers, is the mutilation of the exterior of the edifice, together with the imminent peril to which the lives and persons of the employés of the department are placed by his device.

I refer to the arrangement whereby one hundred tons dead weight is suspended by pulleys over the cornice of the roof of a portion of the structure.

In the courtyard of the new building, north, may be witnessed one of the most extraordinary burlesques upon "mechanics," of which science Gwynn professes to be master, that this country affords.

The cornice drilled through and through to accommodate thick wire cables, supposed to be capable of sustaining so great a weight; pulleys and fixtures projecting in the most unsightly manner above and beyond the cornice; and this enormous weight of cast iron blocks or plates suspended, in a frame of heavy timber, perpendicularly the entire height of the building. And what is the object of all this machinery, involving an outlay of probably \$20,000 in its first cost, and liable, as soon as put into operation, to damage irreparably everything with which it should come in contact?

Stuart Gwynn finds that he has not enough pressure, as he believes, to perfectly print on his "membrane paper" by the hydraulic presses; and although one by one the machines burst and become worthless under the simple process of hand-printing, as has been shown, (this "device" is part of a fixture to increase "the pressure" upon each and every part of the rams,) and practical men in the department are free to say that if even the additional pressure is obtained by this or any other means, the presses will all burst immediately the additional pressure is applied.

I will endeavor to describe the peculiar device of Gwynn whereby he hopes to

obtain this result, and respectfully suggest to the honorable Solicitor a personal examination of the affair, that he may fully realize the utter abortiveness of the plan and its dangerous character to the building and the occupants of the rooms in that vicinity.

This contrivance, which he calls a "receiver," consisted of two cast iron cylinders running parallel to each other and placed upon the top of the stone work of the building. I respectfully submit a sketch herewith, which will aid in a proper understanding of the design. In the cylinder there is introduced an iron piston on rod, at the end of which are fastened two wire cables, (indicated on the sketch by red ink lines), running over large iron wheels or pulleys, and to which, outside the building, the heavy weight is attached by means of an iron pipe, (marked "supply" on the drawing.) Oil is supplied to the cylinders. By means of a steam-engine the weight is to be raised, and by letting it fall again from a certain elevation the piston is pressed with great force into the cylinder working against the oil; thus, by means of pipes conveying the oil to the different presses within the cylinder, the pressure on each of them is proposed to be greatly increased.

I am not enough of an engineer to give you a correct idea of the working of this ponderous apparatus. According to the laws of hydraulics, however, the pressure acting against the cylinder is equal to that exerted where it really is wanted, there being a space left between the piston and the inside surface of the cylinders, which space is filled with oil. Many persons who have examined this arrangement agreed in this, that the cylinders would not stand such a pressure, and so it was proven, for the cylinder burst at the first test, as they did also at the second.

Whether Gwynn would have ever succeeded in getting by this means an increase of speed and power I cannot decide, but it would not have availed him much in regard to the quality of his printing, as shown elsewhere in this report.

Bearing in mind the primary object constantly held in view by Gwynn, that of creating a large demand for his peculiar style of paper, which he designates "membrane paper," we find, because of its peculiar manufacture, it cannot be treated as other paper—that is to say, it cannot be damped—that Gwynn, with the aid and encouragement of parties inside the department, has attempted to revolutionize the whole system of plate-printing.

Mr. Neale, the assistant superintendent, in his statement says, that in June, 1863, he was anxious to procure bank note paper and roller presses, to proceed at once to supply the fractional currency so much needed; but that Mr. Clark would not sanction that arrangement, as the paper of Mr. Gwynn was to be printed upon and hydraulic presses to be used. Valuable time was thus lost in extravagant experiments by Gwynn and Clark, and finally, upon Clark's recommendation, the Secretary permits Gwynn to proceed to carry out his ideas on a large scale.

Seventy to eighty hydraulic presses are ordered, and against the remonstrances and protests of the supervising architects of the treasury building. These presses, over two hundred tons dead weight, were placed in a portion of the building never designed for any such burden. Not content with this—for everybody, everything, seemed for a time to have to yield before the great object of selling patent membrane paper to the government—when it was found that the presses did not give force enough, the building has to be defaced, mutilated, and permanently injured, by the most outrageous contrivance hereinbefore described, and which Gwynn calls his "receiver," which promises, like all the rest of his insane schemes, to result in a complete and utter failure. And now, at the date of this report, workmen are engaged and hands employed in tearing down one of the walls of the newly finished portion of the north end of the west wing of the building to prepare for two more of these unheard-of apparatuses, which Mr. Clark, in the absence of Gwynn, has decided to erect according to the original plans of Gwynn.

This whole affair seems to me so monstrous in its character, so reckless in its design, so criminal in its intent, that I would here most respectfully suggest to the honorable Solicitor of the Treasury to present the whole subject to the immediate notice of the honorable Secretary of the Treasury, so that peremptory orders may be issued for a discontinuance of the demolition and defacement of the building; and also for the appointment of a commission, composed of practical and scientific men, who may be authorized to fully investigate the truth or fallacy of the serious charges herein made.

On page 26 of this report the statement of Stuart Gwynn reads, "I never purchased any article that I can recollect as the agent of the Treasury Department; I never called myself its agent; I never said I was authorized to purchase goods for it. I always purchased through my friends, or as an individual, or as a trustee for other parties."

In order to show that this statement is entirely incorrect, I herewith submit copies of some of the original invoices found among the "papers seized" at the time of Gwynn's arrest.

WASHINGTON, D. C., 1863.

Dr. S. Gwynn, for Treasury Department, bought of Wm. S. Mitchell & Co., dealers in house-furnishing dry goods.

August 13.	64½ yards Brussels, at \$2 25.....	\$144 75
"	Making and laying, \$9 65; thread, \$1.....	10 65
August 17.	64½ yards Brussels, at \$2 25.....	145 69
"	Making and laying, \$9 71; thread, \$1.....	10 71
October 1.	Two cocoa mats, \$2.....	4 00
		315 80

HARTFORD, October 14, 1863.

Stuart Gwynn, Esq., (terms cash,) bought of Woodruff & Beach Iron Works.

September 14.	One segmental engine for Treasury Department.....	\$800 00
October 13.	Sixteen hydraulic presses do. at \$1,000.....	16,000 00
Credit:		
October 13.	By cash.....	16,800 00
		800 00
		16,000 00

NORTH MANCHESTER, September 30, 1863.

Stuart Gwynn, Esq., National Note bureau, Washington, D. C., to M. Hudson, Dr.

August 11.	306 lbs. waste silk, at 38 cents.....	\$115 28
"	18. 315 lbs. paper, at 32 cents.....	109 80
September 5.	369½ lbs. paper, at 32 cents.....	118 24
"	11. 121½ lbs. paper, at 32 cents.....	38 80
"	24. 492½ lbs. paper, at 32 cents.....	157 60
"	30. 459 lbs. paper, at 32 cents.....	146 88
		677 60

Received payment.

M. HUDSON, per P. W. H.

NORTH MANCHESTER, October 13, 1863.

S. Gwynn, for U. S. Treasury Department, to P. W. Hudson, Dr.

To 1,000 lbs. silk, at \$1 50..... \$1,500 00

NORTH MANCHESTER, December 11, 1863.

Stuart Gwynn, Esq., Treasury Department, to M. Hudson, Dr.

November —	To 280 lbs. spider-leg web, at 35 cents.....	\$ 98 00
December 7.	To 988 lbs. spider-leg web, at 35 cents.....	345 80
“ 11.	To 1,166 lbs. spider-leg web, at 35 cents.....	408 10

851 90

It is not deemed necessary to multiply copies of instances of this character, sufficient having been presented to establish the fact that it was not contemplated in any instance to trust Stuart Gwynn upon his own personal responsibility. The fact of his having retained these bills, as rendered, in his possession, without making known to the parties rendering them his true relative position towards the department, is equivalent to his purchasing in the name of the department goods for his own use and benefit.

I would respectfully direct the attention of the honorable Solicitor of the Treasury to the most important fact developed in this investigation, which is this: Stuart Gwynn, with all his eccentricities and experiments, his inventions and ideas, which have cost the government so much vexation, such unfortunate delay, and so large an expenditure of money, could never have proceeded as he has done for a single week excepting by the sanction and co-operation of S. M. Clark, the superintendent of the National Currency bureau.

To what extent Clark has been or may be directly interested in the ultimate success of Gwynn's membrane paper is not clearly shown, but that he was interested may be inferred from the correspondence between Gwynn and Clark, in which the former speaks of "our enterprise;" also, from the tenor of C. A. Browne's Boston letters to Gwynn, in which frequent mention is made of Clark in connexion with the membrane paper; and, also, in the letters of C. W. Bond, New York, where Clark is spoken of in the same connexion, as well as the fact that a paid freight bill for hydraulic presses, made out in S. M. Clark's name, was found among Gwynn's papers, a copy of which is herewith submitted.

WASHINGTON, November 10, 1863.

Mr. S. M. Clark to Schooner J. P. Augur, Dr.

Freight from New York on sixteen hydraulic presses, weighing eleven thousand pounds each, making a total of eighty-eight tons of two thousand pounds each, at eight dollars per ton, as per bill of lading, seven hundred and four dollars.

Received payment.

W. A. WRIGHT,

Captain.

The above presses have been delivered.

EDWARD H. DOUGHERTY.

NOVEMBER 19, 1863.

It is a fact that the urgent protests of the supervising architect of the treasury building against the mutilation of the edifice were always met by S. M. Clark, who claimed that the design was to delay the currency issues. And should the honorable Secretary decide, as I trust he will, that a full investigation of this

subject shall be made before the proper tribunal, it will be clearly shown by witnesses now indisposed to testify, for reasons set forth herein, that S. M. Clark is or has been a party peculiarly interested in the final success of Stuart Gwynn's operations in connexion with the Treasury Department.

What is it that received the entire sanction and protection of S. M. Clark? A system of *dry plate printing*, requiring hydraulic presses in large numbers; many of these presses have been in the rooms assigned to them for months past. Out of seventy or eighty presses, only six are now or have been in operation, printing an average of seventy-five impressions daily, each, instead of over fourteen hundred each, as claimed for them by Gwynn. As early as October 15, 1863, we find Stuart Gwynn telegraphing to the manufacturers as follows:

WASHINGTON, October 15, 1863.

MESSRS. POOLE & HUNT, engineers, Baltimore:

"Two more press cylinders burst last night. What is wrong? Is the iron bad? Answer by telegram.

S. GWYNN.

Showing the liability of the presses to break down was clearly understood at that early date.

I have not had facilities for ascertaining the total amount of money expended by Gwynn in his various operations; but independent of the original cost of presses, many of which have been paid for, there has been expended at least \$75,000 in various ways, made necessary by the introduction of the hydraulic press.

And still the subject is being pursued, and this, too, by the superintendent charged with the great responsibility of promptly and faithfully supplying the country with currency for daily circulation.

Stuart Gwynn was arrested, and S. M. Clark takes hold of his plans and projects just where he left off. And although he has stated to me and others that these presses will not work—that they must continue to break down, one after the other, as they have done heretofore—yet he goes on to perfect the pulley and weight apparatus outside the building, which Gwynn had commenced, and even has gone on to construct two more such receivers, with their appendages, at another portion of the building.

This latter operation requires the demolition of the brick work but recently laid in cement at a great cost, and constituting the end wall of the west wing of the extension as far as completed.

Surely it cannot be doubted that S. M. Clark has not the public interest and welfare as his first object, in view of all these facts. He has sanctioned, and is now protecting, the perpetration of the grossest follies, which are criminal when the expenditure of public moneys is involved.

From the full and careful investigation of the entire subject, which has claimed my attention for nearly three months past, I am convinced beyond a doubt of the entire and utter failure of the plans and projects of Stuart Gwynn in connection with the Currency bureau.

Sooner or later this will be demonstrated to the satisfaction of all concerned. That the whole business has not long ago exploded, and Stuart Gwynn permitted to pursue his railroad, telegraph and Hoosac tunnel engagements, is owing entirely to the interference of S. M. Clark in his official capacity, who, having the entire confidence of the honorable Secretary heretofore, has had every facility to apologize for the delays and shortcomings of Gwynn.

And, in concluding this report, I here desire to record my conviction that Stuart Gwynn as a principal, and S. M. Clark as his confederate, have been and are now engaged in one of the most deliberate and barefaced attempts to perfect

an idea or invention at the expense of the public, and for their own benefit, that the records of the government can furnish. And I do not believe there could be found a grand jury in the country who would hesitate to indict Stuart Gwynn and S. M. Clark for conspiracy to defraud the government, with the facts before them which are clearly set forth in this report and the documents referred to accompanying it.

I am, sir, your obedient servant,
L. C. BAKER,
Colonel and Special Agent, War Department.

HON. EDWARD JORDAN,
Solicitor of the Treasury Department.

WASHINGTON, May 3, 1864.

The committee met at 11 o'clock a. m. Present: Mr. Garfield, chairman, and Messrs. Wilson, Brooks, Davis, Stuart, Fenton, Dawson, and Steele.

On motion of Mr. Brooks,
Resolved, That Colonel Baker, provost marshal of the War Department, be directed to appear before the committee of investigation upon the treasury, with all papers, documents, depositions, and all written information of any kind he has respecting the printing or publication of the public money, or the persons engaged therein.

APPENDIX U.

TREASURY DEPARTMENT, May 30, 1864.

SIR: I have received your letter of the 20th instant, transmitting a copy of a resolution of your committee requesting the Secretary of the Treasury to send to the committee "all orders, or instructions, or directions, or requests of any kind, under which Colonel L. C. Baker was asked for or detailed to investigate matters belonging to the Treasury Department, whether these papers be confidential or otherwise."

I transmit herewith a copy of a communication addressed by me to the Secretary of War, on the 24th December, 1863, requesting him to direct Colonel Baker to make such investigations and arrests, and exercise such custody of persons arrested, as I might find needful for the detection and punishment of frauds in the government committed by persons in this department.

Upon this request Colonel Baker was detailed for the service in question, and directed to act under the instructions of the Solicitor of the Treasury, to whom the matter was confided.

I understand from the Solicitor that on the day after the arrest of Dr. Gwynn by Colonel Baker, he addressed an order to the latter authorizing him to confine Dr. Gwynn in the Old Capitol prison, and that subsequently he addressed to him another communication consenting to his release therefrom. The Solicitor informs me that he has no copy of either of these communications.

I am not aware of any other papers touching the matter referred to.

I am, very respectfully,
S. P. CHASE,
Secretary of the Treasury.

HON. JAMES A. GARFIELD,
House of Representatives.

[Confidential.]

TREASURY DEPARTMENT, December 24, 1863.

SIR: Will you oblige me by directing Colonel Baker to make such investigations and arrests, and exercise such custody of persons arrested, as I may find

needful for the detection and punishment of frauds on the government committed by persons in this department?

Yours, truly,
S. P. CHASE.

HON. E. M. STANTON,
Secretary of War.

P. S.—Please send me a copy of whatever order you may issue to Colonel Baker.

A true copy.
C. A. DANA,
Assistant Secretary of War.

WAR DEPARTMENT,
Washington City, May 23, 1864.

SIR: I am instructed by the Secretary of War to acknowledge the receipt of your communication of the 20th instant, asking that the special committee to inquire into matters pertaining to the Treasury Department may be furnished with copies of "all orders or instructions under which Colonel Baker was detailed to investigate into matters belonging to the Treasury Department," and to transmit, in accordance with the above request, the enclosed paper, which contains all the information to be found on the files of this department in relation to the subject of your inquiry.

Your obedient servant,
JAS. A. HARDIE,
Colonel and Inspector General.

THOS. F. ANDREWS, Esq.,
Clerk to Committee.

DECEMBER 23, 1863.

Referred to Mr. Watson, with direction to detail Colonel Baker to report to the Secretary of the Treasury for special duty under his directions.

EDWIN M. STANTON.
C. A. DANA,
Assistant Secretary of War.

Mr. Brooks, of New York, from the Minority Committee, presented the following

MINORITY REPORT:

That, in pursuance of the Resolution of the House, April 30, 1864, they have attempted to give the subjects therein mentioned the investigation required by the House; but they regret their inability so to do, if not from want of time, from the resolutions and conclusions arrived at by the majority of the Committee, that their powers were much more limited than the minority seem to think they are, under the words of the broad Resolution:

"To investigate and report upon the allegations (set forth in the Preamble of the Resolution), and any other allegations, which have been, or may be made, affecting the integrity of the Administration in the Treasury Department."

One of the members (Mr. Brooks) before entering upon an examination of the testimony, protests now, as he protested upon the floor of the House, April 30, against the misrecitation of his remarks in the House, April 29, made by Mr. Garfield, in the resolution creating this Committee as to the printing of the public money. Mr. Brooks did not allege, as stated in the resolution passed under the pressure of the previous question, that this printing had "led to the sacrifice of millions and millions of the public money," but, as officially reported in the *Globe*, did say—"had led to the peril of the sacrifice of millions and millions of the public money."

The coinage of a country, and the superintendence of that coinage, is the highest trust which can be given to mortal man—and hence at all times, in our own country, and in all ages in other countries, ingenious and effective checks and counterchecks have not only been devised for man to watch man—but it has ever been the effort of wise and honest administrations of governments to install men in such trusts, whose antecedent and existing characters have been such as to command not only unlimited, but universal confidence. The Mints of the United States have now been in operation over seventy-one years, and the whole amount of their coinage, gold, silver and copper, as shown in the December (1863) report of the Secretary of the Treasury, was, up to the end of the then fiscal year, but \$889,635,497. The suspension of specie payments having banished this coin from circulation, all but the copper (a very small portion thereof), the vacuum was filled by paper. Of this paper, as shown by the testimony annexed to the report, \$850,000,000 have been furnished by Spencer M. Clark, from the Treasury Note Office, within the short period of only twenty-one months—an amount in paper within thirty-nine millions of the whole seventy-one years coinage of the United States Mints. The trust, therefore, reposed in this Mr. Clark has been, in about a single year, equal to that which has been hitherto divided for seventy-one years among numerous superintendents or directors of the Mints, while the opportunities for dishonesty or fraud in printing are in the ratio of the power of the printing press, operated by hydraulics, or steam, to the crucible or matrix of the Mint. Hence, in the selection of a Superintendent of the Printing Bureau of currency and securities, not only the present, but the antecedent character of that Superintendent should be of the very highest order—while the checks upon him from without and within should be as severe and searching as human ingenuity can devise. It appears by the testimony that in one night in May \$64,000,000 was in the vault, under the custody and control of the Superintendent.

THE ANTECEDENT CHARACTER OF THE SUPERINTENDENT OF MONEY PRINTING.

The Committee, therefore, in order to ascertain whether such a vast trust and treasure as this were in proper hands, felt it their duty, first, to investigate the antecedents of the Superintendent, and next his administration of by far the most important bureau in the great Department of the Treasury. Their attention was first called to an official report of the Committee on Expenditures on Public Buildings, in 1862 (37th Congress, 2d Session, Report No. 137), in which it appears that this Mr. Clark was then acting engineer in charge of the Bureau of Construction under the Treasury Department—a place given him, it appears by the testimony submitted by that department, without any training or previous qualification as engineer. This report distinctly and effectively charges and proves that the now Superintendent of the Bureau of Printing the Public Money was, in June, 1861, guilty of gross collusion and fraud, and, as Engineer in the Treasury Department, connived with contractors (Edward Learned & Co.) to defraud the United States in the matter of marble contracts for the Charleston (S. C.) Custom House, out of very large sums of money, in which they were thwarted then, but in a small part only by the intervention of the then Secretary Dix. It is unnecessary here to recite this testimony, as it is already matter of record in the archives of the House of Representatives, and can there be seen and read at length. The Committee then (and a Committee, too, created by a Republican House) unanimously advised the removal of this S. M. Clark.

This disclosure, in an important official document, led your Committee into a further investigation of the character of the now Superintendent of the Printing Bureau; and it appeared, by his own testimony, that serious charges had been made against him to the Secretary of the Treasury, officially, or semi-officially, by Alexander C. Wilson, of New York. These charges are of the gravest character, and such as, if made against any man, in any position, deserve inquiry. They

affect the whole business and moral career of Clark. They show him to have no qualification whatever for the very high and immensely responsible position in which he is placed. They affect both his private and public life, and declare him to be both a bankrupt in business and in morals. The 5th allegation is of "Immorality," with specification and detail, and of such a nature that your Committee deemed it proper to have it investigated, and for that purpose the following resolution was submitted May 25th—

"Resolved, That in order to verify the 5th allegation, that of immorality (alleged by A. C. Wilson), Daniel Buck, of Hartford, Conn., be subpoenaed to appear before this Committee."

Which resolution, your Committee regret to say, was voted down by the following substitute:

"Resolved, That the allegation of Mr. Wilson against S. M. Clark relates to matters of general character, prior to his official appointment, not to his conduct since his appointment, and the Committee decline to investigate them." (Ayes 4, noes 3.)

THE EXISTING CHARACTER OF THE SUPERINTENDENT OF MONEY PRINTING.

This resolution precluding and forbidding any investigation of the qualification and character of S. M. Clark, and seeming to sanction, that no matter what may have been a man's private life, all that is no disqualification for the greatest public trust ever given to any one man (such as that of the superintendence of the printing of nearly nine hundred millions of money)—your committee were obliged to give up all further investigation into the antecedents of S. M. Clark, and to confine themselves to matters within the brief period of his money superintendence.

But this brief period discloses, officially, very important, and very suggestive facts—even under all the restraints that have been put upon the investigation by the resolution to close the testimony submitted and passed in the sitting of this Committee, June 1st (ayes 4, noes 3). Your Committee, under that resolution, have been limited as to all investigation into character, with but one exceptional case, to the official reports made to the Secretary of the Treasury, first by Col. Lafayette C. Baker, a Provost Marshal of the War Department, and, next, by Edward Jordan, Esq., the Solicitor of the Treasury, who re-investigated the report of the Provost Marshal Baker.

OFFICIAL REPORT OF PROVOST MARSHAL BAKER.

It appears from the testimony that, in December last, one Charles Cornwall, a clerk in the Redemption (Treasury) Department, was detected in stealing some \$31,000 or \$32,000, and that, about that time, one G. A. Henderson, in the Requisition Warrant Department, was detected in misplacing for money the order of bills on file to be paid, wherefor he received no inconsiderable rewards. These frauds, or rather crimes, creating a good deal of alarm in the Treasury Building, the Secretary of the Treasury, by letter marked "Confidential," December 24, 1853 (see testimony), asked the Secretary of War to direct Col. Baker "to make such investigations and arrests, and exercise such custody of persons arrested as I (he) may find useful," &c. Col. Baker having been put at the service of the Treasury Department, as thus confidentially requested, he commenced his investigations as shown in his report to the Secretary of the Treasury, with the papers annexed.

CONFIRMATION AND INDORSEMENT OF THAT REPORT BY THE SOLICITOR OF THE TREASURY.

This report was subsequently submitted to the Solicitor of the Treasury, Mr. Jordan, who, in a letter, April 19th, 1864, writes to the Secretary:

"I have further, in obedience to your order, called before me most of the persons whose affidavits are herewith transmitted, and made such other inquiries as it has been in my power to make, touching the matter stated in the affidavits, and the result is, *an entire conviction that the most material of these statements are true, particularly those contained in the affidavits of Ella Jackson, Jennie Gernon, and Laura Duvall.*"

THE DISCLOSURES IN THESE REPORTS OF GROSS IMMORALITIES IN THE TREASURY.

These affidavits disclose a mass of immorality and profligacy, the more atrocious as these women were employees of Clark, hired and paid by him, with the public money. These women seem to have been selected in the Printing Bureau for their youth and personal attractions. Neither the Laws of God nor of man, the institution of the Sabbath, nor common decencies of life seem to have been respected by Clark in his conduct with these women. A Treasury Bureau—there,—where is printed the money representative, or expression of all the Property, and of all the Industry of the Country—there, where the wages of Labor are more or less regulated, and upon the faith and good conduct of which depends, more or less, every man's prosperity—is converted into a place for debauchery and drinking, the very recital of which is impossible without violating decency. Letters of license, arming to clothe females in male attire to visit "the Canterbury." Assignations are made from thence, &c.

The facts set forth in these affidavits are vouched for by a military officer (Col. Baker) of the Government, who has now been three years in the confidential employ of the Secretary of War, and who seems to have his unlimited confidence. Indeed, the Secretary of the Treasury had such confidence in this officer, and in the value of his services, that he "confidentially" requested the use of his services in the Treasury Department. The Solicitor of the Treasury, another high and acute legal officer of the Government, and trusted by it in the most important and confidential matters, after a strict and personal investigation, expresses "an entire conviction" that these affidavits are true. But beyond this official testimony, is collateral evidence, confirming and strengthening the testimony of these women. It appears that in September last, on or about the 18th, or 20th, a note signed "H." (marked No. 8 in the Testimony,) came into the possession of Miss Ada Thompson, an actress, then residing at 276 Pennsylvania Avenue, and who is presumed by Col. Baker to be a person of good repute. This note invited Miss Jackson, then an employee in the Treasury Printing Bureau, to go with him "H." (Henderson), then also an employee in the Treasury, and with "C." (stated to be Clark, in the testimony of Miss Ada Thompson) to some place well known to the parties. This place turned out to be "the Central Hotel," a Hotel in this city (Washington) indicated as a disreputable place. The Hotel Register, September 19, shows the names of four persons who that night occupied rooms 27 and 28. The handwriting on the Register is shown by Hamilton Seville, an experienced clerk in the Treasury Department, and an expert in handwriting, to be that of Henderson, who, while assuming names for himself and Clark, and the women with them, vainly attempted to disguise his handwriting. Seville also swears very positively that the note signed "H." is in Henderson's handwriting. The testimony of Anthony Lully then goes to show that, in September, between the 18th and 20th, he (Lully) saw Henderson with Clark in a restaurant, as stated in the affidavits of Ada Thompson and T. C. Surgeon, whence they all subsequently went to the Central Hotel. Such corroborating testimony as this—a note, handwriting, the affidavits of parties whose characters are not questioned, one woman and two men, the eyes of one of them seeing Henderson and Clark together with women employed in the Treasury, and the hotel register in Henderson's handwriting—are, of themselves, without any other testimony, irresistibly convincing. When to all this we add the examination and the report of the Solicitor of the Treasury, of his "entire conviction,"

who can doubt that S. M. Clark is an unfit man to be trusted with the printing of nearly nine hundred millions of the public money?

This testimony was so convincing to your Committee, that they would not, of themselves, have deemed it necessary to go a step farther, but for the intimation thrown out by some of the majority of the Committee, that it was not conclusive to them. Hence they acted upon a letter from Col. Baker, May 19th, 1864, to the Chairman of the Committee, and caused to be summoned a lady now married, Mrs. Bettie Pumphries, formerly Miss Weedan, and whose associations seem to be all of the most respectable character. Her father is a worthy mechanic, employed in the Navy Yard; her husband is a policeman, and accompanied her to the Committee-room. She swears, positively, that a colored woman, named Catherine Dodson, offered her money, when employed by Clark, a hundred dollars at one time, and a thousand dollars at another, in the name of, and in the presence of Clark, which she rejected with indignation. Clark subsequently came to her and said, "So you do not want to speak with me any more." "He made a good friend, but a bad enemy." "Talk with Catherine." "Catherine can talk with ladies better than I can." Miss Weedan, now Mrs. Pumphries, was employed in the Printing Department five months, and left of her own accord. The testimony of this lady, however, is positively contradicted by the colored woman, Catherine Dodson, who, it is but proper to add, is stigmatized in the letter of Col. Baker referred to, as "Clark's procress."

There is other testimony from two other ladies of good character, Miss Sarah Lully and Miss Clara Donaldson, implicating the conduct of Mr. Gray, Mr. Clark's Superintendent of the Bronzing Department, and Mr. Dougherty, Mr. Clark's Assistant. It is unnecessary to refer to them, save to show that Miss Lully, the daughter of a distinguished and honorable Hungarian, who came over with Kossuth in 1848, and whom Kossuth highly cherished, was dismissed from a place of value to her father, solely because her brother had traced Clark and Henderson, together with Ella Jackson and Jennie Gernon to a restaurant, on the 19th of September, where they subsequently went to the Central Hotel, or because she "would not comply with the wishes of Mr. Gray," representations concerning which was made to Mr. Clark himself; or, to show that Miss Donaldson again connects Clark with Laura Duvall (as well as Dougherty, his trusted Assistant, in immoralities), in the matter of selecting out Miss Duvall and Miss Jackson, from all other ladies, and sending them, in the Treasury, oyster suppers at night.

At this stage of the testimony, as to the conduct and character of Clark, and of his sub-Superintendent, in the Printing Bureau, your Committee regret to be obliged to state all further examination upon this subject was closed by order of the majority of the Committee. No opportunity was given to fortify what had been proved, or to go further and establish additional facts. It was not necessary to go further to satisfy the minority that Clark was an unfit person to preside over a Printing Money Bureau where were two or three hundred ladies, but the regret is expressed because the opportunity was not given to bring the majority to a like conclusion.

THE PRINTING BUREAU—FRACTIONAL CURRENCY.

These examinations having been pursued as far as permitted, your Committee then directed their attention to the condition of the Printing Bureau, as a mint, or coiner, of currency. What first arrested their attention was the fractional currency. The Report of the Secretary of the Treasury, December, 1863, exhibits the silver coinage of the country to have been, from 1793 to the close of the year ending June 30, 1863, in all, \$132,954,860,—of which only \$4,251,720 was in dollars,—the remaining being in small coins, from 50 cents to 3 cents. The copper coinage was \$3,241,923. The silver coined at the mints of Philadelphia, New Orleans and San Francisco, under

the act of February 21, 1853—from 1853 to 1863—is reported in December last, to have been, in these 11 years, \$49,055,730. The Secretary of the Treasury, in estimating on his December report, 1862, what resources he would have from the fractional currency, then ordered by Congress, says:—

"The issue of fractional currency has reached the sum of \$3,884,800. The best lights lead to the estimate that before specie payments can be resumed, of less than 40,000,000 will be required by the wants of the community. The sum of \$36,115,200 not yet issued may, therefore, be counted on as an additional resource." A very low estimate, inasmuch as, by the law of currency and of circulation, paper, when supplying this vacuum of coin, ever runs far beyond the displaced coin, in amount of issue, and of loss by circulation. The small silver coin of our country were purposely made by Congress inferior in real value to gold, to prevent their exportation, and hence were, prior to our suspension of specie payments, rejected by the banks, and by merchants generally, who had deposits to make in bank, thus limiting their circulation, and the demand upon the mint for their coinage. The silver dollar (few or none of late years coined) must weigh 412½ grains, whereas the half dollar weighs but 192 grains, and the quarter but 96 grains. It was then fairly to be inferred that when this coin went out of circulation, and with a nominal value considerably higher than its real value, and a paper circulation, as legal tender took its place, of full value, that the volume of paper would considerably outrun the volume of displaced silver. Some estimates ran up as high as sixty millions of fractional currency, many to fifty millions, and hence the forty millions estimate of the Secretary was far within the limits of the general expectation.

PERILOUS MODE OF PRINTING MONEY.

Your Committee were amazed to find, upon examination, that in April last, when this Committee was created, the recognized issue of the fractional currency was under twenty millions! They cannot account for this discrepancy of reality and of estimate. Upon the discovery, however, of the great discrepancy, they directed their attention to the mode and manner of printing this fractional currency, which to them is utterly unsatisfactory. The white paper upon which it is printed has been very loosely purchased and received, and very loosely handled. It came into the hands of one lady in the Bureau of Printing, and instead of being turned out to the public in a far different direction, returned all of it to her hands, and she passed it over to Mr. Clark. Whatever system of checks and balances Mr. Clark may have for his own guidance, there is no check over him. He keeps no ledgers, balances no books, for an accountant to see and understand at a glance. The eye is wearied and the mind fatigued by innumerable figures of his, but no clear, close ledger, such as every merchant or corporation has, shows continuously his day's work, or the summary of that work, to be detected by a single glance of his eye. The whole arrangement of this, the most important of the Government, is loose, slovenly, unsatisfactory, and susceptible of a considerable amount of fraud. A plate printer of his, James Lamb, selected at random from the fractional currency workmen, testifies: "There was no security to prevent the fractional currency from being taken or abstracted," when he was at work on the hydrostatic presses; and he adds, "I could have taken off ten sheets a day, from October to December." Mr. Lamb was very sharply cross-questioned, but adhered to this testimony to the end. Nor has there been shown to your Committee any satisfactory disposition that had been made of the numerous spoilt sheets of the fractional currency, sheets of the 50 cent sort, say, upon which two or three parts may be damaged, while the remaining parts are good. Indeed, the whole "spoilt sheet" management of Treasury Notes and of Bonds, especially of the *Coupons*, seem to us to be in a very unsatisfactory, if not dangerous state.

We are fortified in these views by a Report of Jun. 2, 1864, to the Secretary of the Treasury, marked D and E, and signed by Mr. Field, the Assistant Secre-

tary, Mr. Taylor, the First Comptroller of the Treasury, and Mr. Chittenden, the Register of the Treasury, and subsequently countersigned, Feb. 19, 1864, by a Senator from R. I., Hon. Mr. Sprague. These gentlemen, in this Report, offer many valuable suggestions and recommendations to the Secretary of the Treasury, to which little or no attention had been paid upon the day of our visit to the Printing Bureau. They advise that the paper upon which the money is printed should be sent directly from the manufacturer to the Secretary of the Treasury; which is *not* done as advised. They desired that some distinctive mark should be placed upon each sheet; which is *not* done. They detail the mode and manner by which Mr. Clark should be held responsible for every sheet put in his possession; which is *not* done. They recommend a system of checks upon requisitions for paper; to which no attention has been paid. They deem it desirable that daily returns should be made to the Secretary as to each and every sheet; which is *not* done. They find, as this Committee found, that, through the hands of Mr. Clark alone passes all paper into, and out of, the several divisions, and they recommended another counting division; to which no attention has been paid. They recommend, and think the existing laws demand, that the imprint of the Red Seal should be affixed in the office of the Secretary himself, under his especial direction, by an officer directly responsible to him—an imprint now done by Mr. Gray, the appointee and employee of Mr. Clark alone. Six distinct and very important recommendations are offered by these gentlemen, holding high offices in the Treasury, to no one of which has any attention been paid.

MISPRINT OF BONDS—LOSS OF \$20 NOTES—ACCIDENTAL ISSUE AS TO TIME OF INTEREST-BEARING NOTES.

The inattention to these recommendations and the neglect of these precautions are greatly to be deplored—for, without them an unscrupulous man may rob the Treasury of thousands and thousands of dollars. Apart from the perils of fraud, the existing system tempts and leads to carelessness and theft. Mr. John Oilphant, who has charge of the Loan Branch in the Treasurer's office, exhibited to the Committee a \$1,000 Ten-Forty Bond, erroneously printed, which, with all others of the like kind, Congress, since this discovery, has been obliged to legalize by statute. The number or amount of these in circulation he did not know. Mr. Clark, it would seem, discovered this error some time before it was made known to the Loan Branch in the Treasurer's Office. The peril of error in the printing of large bonds is obvious without comment, and again demonstrates the necessity for separation of work, and of check and counter-check. The testimony of Mr. John G. Clark, a teller in the banking house of Riggs & Co., also discloses the fact that an interest-bearing note of \$20, (if not other notes), has been issued without any date of issue upon it, or any series of numbers. Taken to the Treasury Department by the teller, Mr. Clark, the remark there was, "It was evidently stolen. It must have been stolen from the Bureau over which Mr. Clark presides." Four or five of these notes were reported to be missing from the Bureau. Clark explained that the \$20 note, and three or four others, had been stolen by a scrubbing woman employed by him, and that the sheet upon which it had been printed, had been put into the vault as mutilated money. There would seem to be no need of emigrating to the *placers* of California when scrubbing women can thus pick up \$20 notes. Mr. John G. Clark further testified that in April \$4,000 of interest-bearing notes were paid him, dated in advance, the 12th and 16th of May. The Treasurer told him they had got out *by accident*. "They were intended for San Francisco, but *by accident* they got out here." These are but accidental illustrations of a "perilous" printing of the public money.

TESTIMONY OF REGISTER OF THE TREASURY AND OF THE ASSISTANT SECRETARY.

The testimony of Mr. Chittenden, the Register of the Treasury, is as to this business of printing money, very significant, as well as important. Henderson and Clark, it seems, there again turn up as companions—"intimate associates." Mr.

Henderson advanced in his style of living very much—far beyond what Heads of Departments were able to afford. He was understood to keep two or three horses, to have bought a fine house, and to have furnished it elegantly. "I heard yesterday (May 3) he was in Clark's division, though not employed there"—and there in a Money Bureau, after being removed for gross frauds in his duties as requisition or warrant clerk—*there*, where not even a member of Congress can go without a written order from the Secretary himself!

The responsibility, or power, which Mr. Clark has, in himself, or of himself, that is, exclusively in himself, are worthy of note. It seems, by the testimony both of Mr. Chittenden and of Mr. Field, that in Mr. Clark's department is done all the printing of the interest-bearing treasury notes, of the Bonds of the United States, of the Certificates of Indebtedness, and of other Securities, even to the affixing of the red Seal, which was once thought to be a great cloak and security. The apparently written names of Mr. "Chittenden" and of Mr. "Spinner" are printed by Mr. Clark. The red Seal was formerly affixed under the direct supervision of the Secretary, but Mr. Clark has had the "machine" sent down stairs, and placed in his (Clark's) possession! Mr. Field expressively says, (holding a \$50 one year interest-bearing note):

"The paper on which it is printed is contracted for by Mr. Clark. The paper is delivered to him. The printing is done under his direction; and the *fac similes* of the signatures of the Register of the Treasury, and of the Treasurer, are affixed under his direction; and the seal is impressed under his direction. So that this, which comes to him as blank paper, contracted for by him, leaves his hands with all the attributes of money, in the form of perfected and perfect obligation of the Government. The engraving of the plates is also done under his direction."

Nearly nine hundred millions of money and of obligations have been thus printed by this Clark! Mr. Chittenden and Mr. Field are very emphatic in their criticisms upon this mode of making money. Clark himself said to both Messrs. Chittenden and Field, "Nothing hindered him from taking any sum of this money, and putting it into circulation, and passing it as money," though, he adds, "It would not be forty-eight hours before, under his system, an over issue would be detected;" but by this time he might be across the rebel lines, or be off to Europe, with large sums converted into gold. No language can adequately condemn such irresponsibility—even in a Superintendent of unimpeachable and irrefragable character.

We have labored under some difficulty in the procuring of witnesses in Mr. Clark's department, because "a very intelligent man," a Mr. Corven, Mr. Chittenden reports, was dismissed by Clark, because upon his (Chittenden's) request, he (Corven) drew up a statement of fact in writing upon Clark's hydraulic printing. Another expert, Charles A. Jewett, has been sharply attacked, and deprived of employ because of his disbelief in Clark's capacity or purity. We have already shown how and why two ladies were dismissed. Such action on the part of Clark seems to have struck both the males and females under him with a species of terror, for fear they should lose their, to them, valuable places. But while terror is thus inspired on the one side, reward is given on another. To Mr. John D. Larman, who seems to be a worthy man, having charge of the machinery in the Bureau, a valuable gold watch was presented by Clark since this investigation commenced.

There is a mass of testimony before us as to the cost of printing, and upon controversies or alleged controversies said to exist between Clark and certain Bank Note Companies, Clark having represented himself, at an early period of the examination, as the victim of a conspiracy by these Bank Note Companies. The most of this testimony seems to us irrelevant, though necessarily taken after Clark began the assault. We have little or nothing to do with costs or controversies of this nature. As a general thing, in every Department, it costs the Government more to do work than it can have it done for by contract, or by private in-

dividuals,—but the important question here is not "cost," but "character," "security," etc. Is a man like Clark, with his antecedent, and present character, a fit man to be trusted with the almost irresponsible printing of millions upon millions of public securities? Are the checks and guards upon his Bureau powerful enough to force him to be honest? We do not object to the Secretary of the Treasury keeping a money printing office, if he thinks best, though we deem the Treasury building a very unfit place for such printing,—but we insist upon its being printed by a man of irrefragable character, and with all possible guards and checks even upon him. The "cost" is nothing when compared with safety and security. If, as Clark alleges, the Bank Note Companies attempted to buy him off, or bribe him off, as to which there is no proof, but much proof to the contrary, all this is nothing to us, if, as Clark states, he has not been bought or bribed. The singular susceptibility of Clark, however, to approaches of the kind is worthy of note. In the matter of the Charleston Custom House marble job, there was a conspiracy against him in the last Congress. In this Congress, the Bank Note Companies are conspiring against him. He seems ever to be the victim of conspiracies, and the conspiracy now, is not only of the Bank Note Companies, but of about every officer in the Treasury building working with him. The Comptroller of the Currency, Mr. McCullough, employs the Bank Note Companies to print the forthwith coming three hundred millions of currency of the New National Banks, and finds no fault with these "conspirators." The Register of the Treasury, Mr. Chittenden, sees nothing wrong in these "conspirators." One of these conspirators, the Old American Bank Note Company, has printed money for years, holding the dies and bed plates, not only for about all of the State Banks, North and South, over a thousand banks in number, but for the banks of Canada and the British Provinces, and for the South American States and for Russia and Greece, in Europe. The whole world has borne tribute to their high art as designers and engravers, and to their honesty, purity and reliability. What civilization and art everywhere confide in, Mr. Clark sets down as a conspiracy against him!

MEMBRANE PAPER, HYDRAULIC PRINTING, &c.

Nor have we much to say upon the experiments with hydraulic printing, and membrane paper, going on in the Treasury Building. These are novelties, expensive novelties, far better fitted for the study and the laboratory of the experimenter than for practical work in these times. The worst that can be said of them all is that it wastes time and expenditure, and damages and endangers the Treasury Building itself. While the experiments were going on in the Treasury Building, the Secretary of the Treasury was compelled, by his inability to have printed there in time, his interest-bearing Treasury Notes, to make a 6 per cent. temporary loan of \$50,000,000. The loan was made Sept. 8th, 1863, and was not finally paid till June 12th, 1864—the interest at 6 per cent. all the while accruing, because this Secretary could not obtain in time fifty millions of legal tender notes from the Printing Bureau. To show the cost of the delay, resulting from these experiments, we annex the report of the New York Clearing House upon thirty-five millions only of this loan, the other fifteen millions having been taken in Philadelphia and Boston, at like cost to the Government.

NEW YORK CLEARING HOUSE, }
Saturday, January 16th, 1864. }

Esq., Cashier,

Sir,—Interest upon the Temporary Loan of September 8th, 1863, to the Treasury of the United States has been received by the Loan Committee at the rate of six per centum per annum, from September 8th, 1863, to the several dates upon which the Two Years five per cent. Legal Tender Treasury Notes were paid to the Committee by John J. Cisco, Esq., Assistant Treasurer U. S., and as per the following statement, viz:

1864.					
Jan.	5—6 per ct. on \$14,560,000 for 119 days,	\$285,600 00			
"	6— " " 6,160,000 " 120 "	121,846 15			
"	7— " " 4,620,000 " 121 "	92,146 15			
"	8— " " 3,217,000 " 122 "	64,693 52			
"	9— " " 1,655,000 " 123 "	33,554 67			
"	11— " " 3,518,000 " 125 "	72,486 26			
"	12— " " 1,270,000 " 126 "	26,376 93			

Amount of Loan, \$85,000,000 Interest, \$696,703 68

Estimated on the basis of 182 days for the six months from September 8th, 1863, to March 8th, 1864.

From the above named amount of interest, that which has accrued upon the Two Years Legal Tender five per cent. U. S. Treasury Notes from December 1st, 1863, to the dates of payment, at the rate of two and a half per cent. for the 83 days, from December 1st, 1863, to June 1st, 1864, has been deducted as follows, viz :

1864.					
Jan.	5—5 per ct. on \$14,560,000 for 35 days,	\$69,617 49			
"	6— " " 6,160,000 " 36 "	30,295 08			
"	7— " " 4,620,000 " 37 "	23,352 45			
"	8— " " 3,217,000 " 38 "	16,700 27			
"	9— " " 1,655,000 " 39 "	8,817 62			
"	11— " " 3,518,000 " 41 "	19,704 65			
"	12— " " 1,270,000 " 42 "	7,286 88			

Principal,	\$35,000,000	Interest,	\$175,774 44
Total amount of interest on Loan at 6 per cent.....	\$696,703 63		
" " " Notes at 5 per cent.....	175,774 44		

Cash Balance received by Loan Committee.....\$520,929 24

The interest thus received has been divided among the Associated Banks in proportion to the interest of each in the joint loan of September 8th, 1863.

The interest apportioned to your Bank is \$— and will be paid to you by George D. Lyman, Secretary of the Loan Committee, on and after this day.

Respectfully yours,

C. P. LEVERICH,
Chairman Loan Committee.

To this loss in interest of \$520,929 24, should be added the loss of interest on the fifteen millions paid in Boston and Philadelphia.

In conclusion, your Committee have to say, that upon all that branch of the investigation, charged upon the Committee by the House, and involved in the remarks of the Hon. F. P. Blair, now in our military service in Georgia, we have not been permitted to take any testimony whatever. An effort was made in Committee, June 3d, to investigate the alleged fraudulent subscriptions for the eleven millions excess of the 5-20 Bonds, said by Mr. Blair then to have been 12 per cent. above par, and to have yielded a million and a quarter dollars profit to the takers—but the resolution to investigate was voted down—ayes 3, noes 4. We regret that, in this respect, we have failed to discharge the duty imposed upon us by the House, but it is not our fault, as the record shows.

To show, however, our further sense of the high duty imposed upon us by the House, and our desire to discharge that duty, we again, on the 27th June, made another effort in the following resolution :

Whereas, Major-General Frank Blair, in several letters read by him, on the

floor of the House of Representatives, from persons he vouches for as responsible, has charged that :

Treasury officials, by means of outsiders, are now engaged in the most gigantic robberies of modern times, exceeding the former operations of Clive in India.

And whereas, specifications by name and place are given in several of these charges. Therefore, be it

Resolved, "That it is the duty of the Committee, and devolves upon it, by the ample powers given in the House resolution creating it, to enter upon a full and complete examination of these charges."

The resolution failed to pass by the following vote :

Ayes—Brooks, Stuart, Dawson, Steele.

Noes—Garfield, Wilson, Fenton, Davis.

This painful record is aggravated by the fact, in the very sitting when a gallant officer of the army was thus ignored, the Superintendent of Money Printing, whose character we have above described, was permitted to file a letter denying charges against him, as if in testimony, while to the minority of your Committee was refused the opportunity again to bring Clark before us, and to re-examine him, or others, as to the denials made, though such a re-examination was apparently desired by him, and earnestly desired by us. Your Committee are, therefore, constrained to say that they have not been permitted, in spirit or in fact, to examine into but a very small portion of the allegations made by the newspaper press, or by Mr. Brooks, or by Gen. Blair, on the floor of the House.

Your Committee, in conclusion, beg leave to offer the following resolutions :

Resolved, That the Secretary of the Treasury be directed at the earliest practicable day to carry into execution, in the Money Printing Bureau, the recommendations of Mr. B. Field, Assistant Secretary of the Treasury, and L. E. Chittenden, Register of the Treasury, as set forth in a report signed by them June 2, 1864, and subsequently reconsidered and re-recommended by them, and the Hon. W. Sprague, Senator from Rhode Island, Feb. 19, 1864.

Resolved, That Spencer M. Clark, the Superintendent of the Money Printing Bureau, is an unfit man to preside over that Bureau.

JAMES BROOKS,
JOHN T. STUART,
W. G. STEELE,
JOHN L. DAWSON.

Mr. FENTON submitted the following report :

The undersigned, a member of the Select Committee, of which the Hon. Jas. A. Garfield is chairman, to examine in relation to matters connected with the Treasury Department, begs leave to say that he concurs in the conclusion of the committee as to the policy of doing the work of the printing of the public securities, obligations, and national bank currency, in the Treasury Department, and as to the care and generally correct manner in which such work has been there conducted; nor does he see any reason, from the evidence submitted to the committee, to dissent from their conclusions with reference to the immoralities charged to have been committed in the Printing Bureau of the Treasury Department.

The undersigned, however, is not able, upon the testimony which has been submitted to the committee, to agree with the majority in their conclusions in reference to the conspiracies of the New York bank note companies to get Mr. Clark out of the Treasury Department, and to prevent the publication of the public securities, obligations, and national bank notes in that department, in order to secure the same to themselves.

R. E. FENTON.

EXHIBIT B B.

Response of Alexander C. Wilson, of New York, to the Secretary of the Treasury, calling for charges against S. M. Clark.

NEW YORK, August 27, 1863.

Sir: In response to your demand for my charges against Mr. S. M. Clark, of the Treasury Department, I had the honor to say, in my letter of the 17th instant, that those charges relate not merely to Mr. Clark's present position in your service, but to events in the course of his entire career, which prove his unfitness to hold any office of trust under government. The facts are far more abundant than this present recapitulation will indicate; but the difficulty of inducing men to testify, without the compulsion of a *subpoena*, prevents me, at present, from offering testimony; and, therefore, I refrain from reciting statements in regard to which the evidence is not immediately accessible.

In the case of Mr. W. L. Ormsby, the honorable Secretary laid down the indispensible principle that no man should have anything to do with the manufacture of government money upon whose character there rests the slightest taint. Mr. Clark is no subordinate in this manufacture as is Mr. Ormsby. He holds a fore-most place. Everything is confided to his integrity. He occupies a position requiring spotless honesty, the highest skill, and the utmost ingenuity.

The record of Mr. Clark's career will show that, wherever he has been known, he resided and conducted business, prior to his employment in the department, for left behind him a tainted reputation—a reputation for questionable honesty, for enormous extravagance, for bad personal habits, for addiction to visionary and unsuccessful projects, for being, in fact, a reckless pretender and charlatan.

This general reputation I undertake to prove adheres to him still, even in his actual employment in your service.

My charges against Clark are as follows, viz.:

1. *Reputation for dishonesty and unreliability.*—Inquiry at the localities where he has done business, among which are Hartford, Brattleboro', Simsbury, and New York, attests that those who know Clark thoroughly decline to trust him, and believe him to be freely accessible to corrupt influences.

2. *Actual dishonesty.*—The failure of the flour-dealing firm of Clark & Coleman, in 1855, elicited from the insolvents an offer to pay 70 cents on the dollar; 50 per cent. in the paper of Ezra Clark, jr., a brother of Morton, who was said to be a debtor of the firm, and 20 per cent. in the paper of Coleman & Clark. None of those notes were paid. Coleman paid his proportion, and obtained from his creditors a release; but nothing whatever was paid by Clark or his brother. I find from inquiries made of leading mercantile houses in the flour trade that the failure was, and is, regarded as disgraceful, if not fraudulent, and as utter destruction of Clark's credit.

A transaction in connexion with the improvements in the assistant treasurer's office in this city raises an irresistible presumption of fraud on the part of Clark, who was superintending some of the work, subject to the directions of the assistant treasurer. Though instructed to do nothing without the explicit orders of the assistant treasurer, and on his own responsibility, proceeded to make a Mr. Cisco, Clark selecting a pattern, the patent right of which belonged to contract for the sales, privately, of New York. The natural course for him would have been to have contracted with the Messrs. Cornell. Instead of doing so, however, he made a contract with one North, a *lock-maker*, at New Britain, Connecticut, and left North to sub-contract (of course with a handsome profit to himself) with the Messrs. Cornell.

3. *Dishonesty or incompetency.*—The report of the House Committee on Expenditures on Public Buildings, June 10, 1862, convicts Clark of either one or the other of these qualities; and as the honorable Secretary promptly removed Clark from

the post he then occupied, we are to assume that, at that time, he believed him to be either dishonest or incapable. A cursory reading of a printed letter addressed by Clark to the Secretary, and marked "private," doubtless to keep it out of the hands of members of the committee, who would be likely to resent its scurrilous flings and innuendoes, impressed me at first as a successful refutation of the report; but upon referring carefully to the report itself, I find the so-called reply leaves the material points untouched. That report therefore make part of my case.

4. *Business incompetency.*—Clark has failed in every business enterprise he ever undertook, and in every case inquiry shows the failure was due to his visionary, impractical character, combined with improvident and extravagant or immoral habits. He failed as a maker of rules at Hartford and Brattleboro'; he failed as the superintendent of copper smelting works at Simsbury, Connecticut; he failed as a flour merchant in New York. Prior to his employment in Washington, his only success seems to have been as clerk and bar-tender at the Carleton House, a second class hotel of this city, where he was engaged in those capacities for three or four years.

5. *Immorality.*—An incident which occurred during the latter portion of Clark's residence in New York did as much as anything else, unless his reckless speculations on Wall street be excepted, to destroy the credit of the firm of Clark & Coleman, and procure its failure. The facts, which were reported in the papers of the day, may be briefly stated as follows: a brothel in the eighth ward had made itself especially offensive to the police, as the resort of the most profligate and dissolute of the community. It was found necessary to break it up. A descent was planned, the inmates were arrested, and among them was S. M. Clark, the subject of these charges. On the following day he was placed on the stand and compelled to testify; and this confession of his guilt—the guilt of a married man, past middle age, with a grown-up family, was printed in all the newspapers. With such a stain on his private character—and the facts were in the mouths of everybody at the time—it can hardly be wondered at that the credit of Clark & Coleman declined, until it reached the point of failure; and that the ill repute of Clark was a principal cause of the disaster is not only currently alleged by merchants in the same line of business, but may justly be inferred from the circumstance that Coleman, resuming business after the failure, has since been a successful and prosperous man.

6. *Charlatanism and imposture.*—The unsafe and unprofessional manner in which the treasury building had been carried on reasonably prompted the House committee, in the report already referred to, to question Mr. Clark's attainments as an engineer. In reply to an inquiry on this head, he is reported as saying: "I have qualified myself for duties of engineer, but never adopted it as a profession."

"Question. Have you ever been engaged in practical duties of engineer?"

"Answer. Yes, sir."

"Question. Where and when?"

"Answer. In Brattleboro', Vt., Hartford, Ct., and New York city."

"Question. In what connexion at Brattleboro', Vermont?"

"Answer. In planning, laying out, and erecting a water-power and factory."

"Question. What factory?"

"Answer. One for the manufacture of rules and mathematical instruments—the first of its kind started in this country."

"Question. How long were you so engaged there?"

"Answer. I think about six years in Brattleboro', in constructing water-power, in building factory, making machinery for carrying on the business, and then carrying on the business. The rest of the time that I was in Brattleboro' I was cashier of a bank."

"Question. Were you ever employed by anybody as an engineer while in Brattleboro'?"

"Answer. I was frequently consulted upon engineering, but never professionally employed.

"Question. In what public work were you engaged at Hartford, Connecticut?

"Answer. No public work. There was none building there.

"Question. In what were you engaged as an engineer in that city?

"Answer. In planning and building a mill for the reduction and separation of ores from copper mines in that vicinity, and also in designing some private dwellings, but not professionally.

"Question. Do you remember the size of the mill?

"Answer. I think it was about 120 by 60 feet, but it is only a matter of recollection. It had two steam-engines, one of 12 and one of 20 horse-power, running day and night.

"Question. What was its height?

"Answer. It was all in one story.

"Question. Do you remember how long you were engaged on the work?

"Answer. On the work, and superintending running of machinery, for about two years.

"Question. How long in constructing the building?

"Answer. Somewhere between six months and a year.

"Question. Of what material was the building, and what its cost?

"Answer. The basement portion was of stone; the upper portion of wood. I think the building and its appurtenances cost from 12,000 to 15,000 dollars.

"Question. How high above the ground line did masonry work extend?

"Answer. About six feet.

"Question. Were you interested as owner or proprietor of business in the factory?

"Answer. I was to have been interested as a compensation, but my employers failed in carrying out their enterprise, and no interest has ever been awarded to me.

"Question. Were you engaged on any public work in New York?

"Answer. My occupation of this character there was confined to consultation with others in reference to dwellings.

"Question. Do you remember to have consulted officially about any public work then going on in New York?

"Answer. No, sir.

"Question. Had you the professional charge of any public building or work there?

"Answer. No, sir.

"Question. What was your salary at Battleboro', Vermont, or your pay for construction of building?

"Answer. It was my own. I first began it in connection with a partner, and subsequently acquired full title."

We remarked that it is true that S. M. Clark was proposed as cashier of the Bank of Battleboro'; but on account of his bad character was totally unable to procure the legal bond, and never signed or acted as cashier. It is true that he superintended a small rule shop in Battleboro', but it is untrue that he had anything whatever to do with the construction of that or any other building in the village. The building he refers to as erected near Hartford, was simply a small wooden shed of unplanned boards to cover one or two steam-engines. Thus a man, through whose hands a thousand millions of money will probably pass during the coming year, was unable in the town where he was born, and thoroughly known, to procure the security required for the cashiership of a county bank. The cutting machine used in separating the notes in the department is not the invention of Clark; similar machines have been used in this city for twenty years. Such paper as Clark manufactures in the department, with so many securities to preserve

the secrecy of the method, the company for which I act will contract to deliver to government, at a much lower rate than its present cost. With the same audacity as made him claim to be an engineer on the strength of having built an engine shed, he claims to be an engraver and printer of bank notes, and yet he required us to engrave two vignettes for surface printing, and only abandoned the project when the impossibility of doing the thing was demonstrated. And it is the universal opinion of experts, who are conversant with Clark's preparations, for dry printing, and who have been acquainted with the machine he uses for a number of years, that upon any thing of a practical scale the experiment will be a failure. His visionary and superficial character has now, in fact, full swing, enjoying, as it does, the generous resources of the department; but if it fare no better than it has done in the conduct of his private business, it must result in disaster to the government. These are my charges. I am quite sensible, sir, that some of them are unattended with the weight of evidence they may strike you as demanding. Other allegations I have already intimated, I might easily make could I extort the truth from witnesses whom we are not at liberty to compromise, but who would testify freely before a properly authorized tribunal. With the approval of the honorable Secretary, I therefore propose to procure a committee of investigation, either in the Senate or House, early in the approaching session of Congress; and I undertake to prove, with the aid of the process which such committee will have at its command, every point I now allege as to the unfitness of Clark to occupy the position he fills under government. I have referred to the warm friendship Clark exhibited toward us in the earlier part of our intercourse—a friendship dictated, as he took frequent occasion to say, by his irrepressible dislike to the American Company, and its practice of corrupting everybody surrounding the honorable Secretary. He would have no intercourse with them; he would see that, however sincere their repentance, they should never again have work from the department; that while he intended to print the banking currency in the department, he would influence the entire printing of treasury notes to us. In making this pledge, which was wholly unsolicited, he took occasion to mention that he had been thrown out of his position in the department; that although he would be ultimately cared for by the Secretary, he would be obliged to live for the present on borrowed money; in short, he presented the matter in such a form that I would have been blind not to see that he was inviting the tender of a bribe from this company. Be assured, sir, no such tender was made. On the same afternoon, namely, of June 25, Mr. Clark visited the American Bank Note Company, was admitted to a scrutiny of all their interior arrangements, and from that day the kindness we had previously experienced from him has been converted into rudeness, if not downright insult, and marked unfriendliness, if not open hostility. Corruption is easily concealed; but we cannot shut our eyes to the inference that a change so abrupt had causes independent of the public interest. In submitting these charges I consider it of great importance that the Secretary should comprehend the motives that actuate me in the affair. It is not of my own seeking. Mr. Clark's peculiar mode of doing business forced it upon me. I bear Mr. Clark no malice, but I do feel an honest indignation that a man, whose notoriously bad reputation and personal dealings with myself have convinced me that he is entirely unfit for the responsible position he occupies under the Secretary, should, in the plenitude of the power he knows he unworthily holds, assume in the most offensive, arrogant manner to be the arbiter of the fortunes of the company of which I have the honor to be president. When the Continental Bank Note Company commenced with the government, it laid down the rule not to corrupt or be corrupted, and by that rule it will stand or fall. I have never asked any favor of Mr. Clark,

neither would I lay myself open to any arrangement where there could be any reciprocity of *illicit* favors. I never, by insinuation or request, endeavored to obtain anything from Mr. Clark, except what rightfully belonged to the company under its engagements with the department. It is Mr. Clark's sudden change from apparently excessive friendship to actual excessive hostility, based, I am convinced, on bad motives, and manifested by a highly improper and unjust course in his dealings with me as president of the Continental Bank Note Company, that forces me to resist his action, and in so doing undertake to satisfy the Secretary that his confiding nature has allowed Clark to obtain too much of his confidence. It is therefore from a sense of duty to the company over whose interests I preside, and to the Secretary, with whom I have important and confidential relations, that I act in this very disagreeable business.

I have the honor to be, &c., &c.,

ALEXANDER C. WILSON.

Hon. S. P. CHASE, *Secretary of the Treasury.*

DEPARTMENT OF STATE,

Washington, February 15, 1862.

Sir: Permit me to introduce Mr. L. C. Baker, who has been employed by the State Department in the detective service, and who, so far as known, has discharged his duties in a manner entirely acceptable. In consequence of executive order No. 1, dated February 14, this department has no further use of his services. He is commended to your consideration as a capable and efficient officer.

I have the honor to be, very respectfully, your obedient servant,

W. H. SEWARD.

Hon. EDWIN M. STANTON, *Secretary of War.*

The following orders will show how I have been employed since that time.

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE,

Washington, March 30, 1862.

Ordered, That L. C. Baker be, and he is hereby, appointed special agent of this department to take possession of all abandoned rebel property in the territory lately occupied by the rebel forces around Washington, and that he take an account thereof, and safely keep the same, and turn it over to the commissary or quartermaster's department, taking a receipt for the same from the officer to whom it is turned over, and filing it in this department. All officers and persons in the government service are directed to afford him necessary assistance and protection; and all persons in the quartermaster and commissary departments are directed to afford him necessary transportation.

He is directed to make special report of his proceedings from time to time to this department.

By order of the Secretary of War:

L. THOMAS,
Adjutant General.

WAR DEPARTMENT,

Washington City, September 12, 1862.

You are hereby appointed special Provost Marshal for the War Department, and are authorized to exercise the powers and do and perform the functions pertaining to that office during the pleasure of the President. You will report to the Secretary of War for instructions.

EDWIN M. STANTON,

LAFAYETTE C. BAKER.

Secretary of War.

WAR DEPARTMENT,

Washington, June 29, 1863.

Sir: You are hereby informed that the President of the United States has appointed you Colonel of the 1st regiment District of Columbia cavalry, in the service of the United States, to rank as such from the twenty-ninth day of June, one thousand eight hundred and sixty-three.

Immediately on receipt hereof, please to communicate to this department, through the Adjutant General of the army, your acceptance or non-acceptance; and, with your letter of acceptance, return the *oath* herewith enclosed, properly filled up, *subscribed and attested*, and report your age, birthplace, and the State of which you were a permanent resident. You will report for duty to—

EDWIN M. STANTON,

Secretary of War.

Colonel L. C. BAKER,

1st Regiment District Columbia Cavalry.

~~~~~  
From the Documents appended to the Official Report of Colonel, Provost Marshal Baker, to the Secretary of the Treasury (Mr. Chase), upon the Printing of the Public Money in Washington.

[Copy.]

Statement of Miss Ella Jackson.

WASHINGTON, April 9, 1864.

My name is Ella Jackson. I am originally from Baltimore, Maryland; am eighteen years of age. I went to work in the Treasury Department on the 5th November, 1862. I procured my situation through the Hon. Mr. Kellogg, M. C., from Michigan. I have worked in various rooms in the department; am at present in the numbering-room, where I have been about six months. I know Mr. S. M. Clark, superintendent of Currency bureau. I also know Mr. G. A. Henderson.

Some time last fall, I think in September, I had a conversation with Mr. S. M. Clark and Mr. Henderson in relation to them (Clark and Henderson) procuring two suits of men's or boy's clothes—one suit for myself, and the other for a girl named Jennie Gernon, who was then working in the Currency bureau. Clark and Henderson were to furnish the male suits, and Jennie Gernon and myself were to put them on and accompany them (Clark and Henderson) to the Canterbury, a place of amusement in this city where females are not allowed, owing to the nature of the exhibitions or plays usually in vogue at that place of amusement. On the evening agreed upon between Mr. Clark, Henderson, Miss Gernon and myself to attend the Canterbury, as stated above, Mr. Henderson sent me a note written in pencil, in which he stated, as near as I can recollect, that the suit could not be obtained that night, but would be all ready by Monday noon; that C. could not go that evening to the Canterbury, but would join us during the evening and go to supper. That the carriage would stop at our door at 7 o'clock, and we, Jennie Gernon and myself, should come down alone and get into the carriage.

This letter was signed, I think, H. Mr. Henderson did call at 7 o'clock, as arranged. We went down, got in and drove to Georgetown, back to the Capitol, and stopped at the corner of First street and the avenue, got out and walked to the Bohier restaurant, where we found Mr. Clark in waiting. We all had supper, which occupied nearly two hours. Messrs. Clark, Henderson, Jennie Gernon and myself then went direct to the Central Hotel, corner of Sixth street and the avenue. Mr. Clark and Henderson went in and registered names on

the hotel register. I do not know what names were registered. Jennie Germon and Mr. Clark occupied a front room, I think, the fourth floor. Mr. Henderson and myself occupied the next room adjoining. We all remained until about 3 o'clock, when Mr. Henderson got up and stated that he was going home. Soon after Mr. Henderson left, Mr. Clark got up and came into my room and proposed to occupy the same bed with me for a short time, which I refused, when he returned to Miss Germon's room. Mr. Clark, Miss Germon, and myself got up between 8 and 9 o'clock in the morning and all went to the Buhler restaurant, where we all got breakfast; came down stairs; Mr. C. left us at the door and went away, and we went home. Miss Germon was then employed in the press division in Mr. Clark's bureau. Miss Germon was not discharged by Mr. Clark, but left of her own accord, as she was about to be married. Some time in the month of December, 1863, Mr. Henderson first mentioned to me the plan of going to Philadelphia. After Mr. Henderson mentioned the matter to me, I spoke to Laura Duvall about it; she was willing to go. A short time after Mr. Henderson mentioned the subject, Mr. S. M. Clark spoke to me on the subject, and asked me if I was willing to go. I replied, yes. Afterwards, Clark, Henderson, Laura Duvall, and myself consulted together and agreed to all go on the following Saturday. Miss Duvall and myself were to go on the 3 o'clock p. m. train, and Clark and Henderson were to follow in the next train. Miss Duvall and myself went down to the depot, but found, on inquiry, there was no 3 o'clock train, and at once returned to our house, No. 276 Pennsylvania avenue. Miss Duvall then wrote a note to Mr. Clark at the department, and sent it by a boy named Willie, who lives at my house. After the boy had delivered Miss Duvall's letter, I sent one to Mr. Clark by the same boy, stating there was no 3 o'clock train, but that Miss Duvall and myself would leave in the 5 o'clock train. Mr. Clark sent back a reply to my note by the boy referred to, telling us to go on and he and H. would follow by the next train. Miss Duvall and myself took the 5 o'clock train. On our arrival in Philadelphia we went to the Continental Hotel and registered our names, Miss Duvall and Miss Percival. I did not like to register my own name, as I had relations residing in Philadelphia. I do not recollect the number of the rooms we occupied. We had no baggage, in consequence of which the clerk asked for our bills in advance; which request we complied with. Mr. Clark did not arrive until morning, owing to a delay on the road. Mr. Henderson did not come on, owing to the arrival of some of his friends from Baltimore that evening. Mr. Clark and Miss Duvall occupied a room together from about 10 o'clock a. m. until about 7 o'clock p. m., (this was on Sunday.) Mr. Clark went out and was absent until about seven o'clock in the evening, when he returned. Mr. Clark, Miss Duvall and myself were all in the same room until about 9 or 10 o'clock, when we all went to the depot together. We left Philadelphia, I think, at 11 o'clock, and arrived in Washington about 6 o'clock a. m.

I have frequently worked at the department late at night; have also worked on Sunday, when Mr. Clark asked me to do so. Clark has very often asked the two Miss Duvalls and myself to *drink ale* in his private office; this has usually been done after 11 or 12 o'clock at night. I don't think I ever drank more than two glasses at a time in Mr. Clark's room. Don't think I was ever drunk in the department. In the conversation I had with Mr. Clark and Henderson about going to the Canterbury in male attire, both Mr. Clark and Henderson informed me that they had seen Mr. Sinn, the proprietor, and made an arrangement for a private box. I was confident I could carry out my part of the programme.

In making this statement, I desire to say that I have not done so under any threat, intimidation, or promise, of any kind or nature whatsoever; but knowing that I have done wrong, and have acted very imprudently both with Mr. Clark and Henderson, I desire to give a truthful and open statement of all my intrigues and improprieties with the gentlemen alluded to.

E. JACKSON.

On this 9th day of April, A. D. 1864, personally appeared before me Ella Jackson, who, being duly sworn, on her oath said: That the foregoing statement she had heard read, and knew the contents thereof; that all the statements therein contained are true, of her own knowledge; that they are made freely on her part without fear or threat, or promise of reward or favor of any kind whatsoever.

A. G. LAWRENCE,

Notary Public.

EXHIBIT E E.

Statement of Miss Jennie Germon.

WASHINGTON, April 12, 1864.

My name is Jennie Germon. I have been employed in the National Currency bureau since it first went into operation. I think I was the first lady employed in that department. I reside with my sister, Mrs. Hutton, at No. 556 G street, in this city. I was formerly employed in the Government Printing Office, but left and went home to my mother's to live. One day when I returned to the house my mother informed me that a gentleman named Clark, from the Treasury Department, had called to see me; that gentleman desired me to call at his office on the following morning. I went as desired, called on Mr. Clark; he informed me that he (Mr. Clark) wanted me to go to work for him in his bureau. I went to work, and worked until the 21st of September last. I have carefully read and heard read the statement of Miss Ella Jackson, in reference to Messrs. Clark and Henderson making an engagement with Miss Jackson and myself to attend the Canterbury in male attire, also in relation to going to the Central Hotel and sleeping with Mr. S. M. Clark. I further positively swear that all that portion of Miss Jackson's statement referring to me is true in every particular.

Some time in the month of May or June last, as near as I can recollect, and just after I had recovered from a severe fit of sickness, which kept me from the department for nearly six weeks, Mr. S. M. Clark came to me in the office, and asked me to come to his private residence, at the same time informing me that his (Clark's) wife was absent in the country. I did not at first comply with his request for me to come to his house and stay with him all night. On the next Saturday night, I do not recollect the day of the month, I went to Mr. Clark's house about 8 o'clock in the evening, he (Mr. Clark) having given me his address, and also described the house. When I arrived I found Mr. Clark at supper. Mr. Clark and myself went to a private bed-room, and both occupied the same bed until morning. I left Mr. Clark's house about 7 or 8 o'clock in the morning. I saw but one servant at Mr. Clark's house the night I slept with him, and she was a colored woman. The room we occupied was a second story back room, the same occupied by Mr. Clark and his wife when she (Mrs. Clark) was at home. About two weeks after my first visit to Mr. Clark's house, he (Mr. Clark) again asked me to go to his house and spend another evening with him; this request I complied with; went to his house and occupied the same bed with him (Clark) that I did on the previous occasion, referred to above. I recollect distinctly a conversation I had with Mr. Clark the last night I slept with him. He said his (Clark's) wife was very jealous, and at one time told him (Clark) that she (Mrs. Clark) believed that the Treasury Department was nothing more or less than a whorehouse.

Mr. Clark has been invariably very kind. Soon after my marriage I sent Mr. Clark a note asking him to send me some money; he did send me, I think \$8.

On another occasion that I recollect, Mr. Clark has paid me as high as \$40; these amounts were independent of my wages earned in the department.

I desire to state that I have made this statement voluntarily, without fear, or

promise of reward of any kind or nature whatsoever; but rather than forswear myself, I freely confess my shame and disgrace, trusting that no publicity will be given to my statement.

JENNIE GERMON.

Sworn and subscribed to this 12th day of April, A. D. 1864.

A. G. LAWRENCE,

*Notary Public.*

EXHIBIT F F.

*Statement of Miss Laura Duvall.*

WASHINGTON, April 9, 1864.

I am eighteen years old; I reside with my mother, at 332 G street, in this city. I have worked in the Treasury Department since the 18th of November, 1863. I procured the position on a letter written by Mayor Wallach, of this city, to Mr. S. M. Clark, superintendent of Currency bureau. When I first went to work in the department, Mr. Clark put me up stairs in the press-room in Mr. Neal's department. I remained there but two weeks, when Mr. Clark put me down stairs in the numbering-room. In this room I first made the acquaintance of Miss Ella Jackson, who was in the same department. Mr. Clark first introduced me to Miss Jackson. Some time last fall or winter an arrangement was made between Mr. Clark, Miss Jackson and myself to go to Philadelphia. It was understood that Miss Jackson and myself were to go on in the three o'clock train. We went to the depot, but found there was no three o'clock train, and came back to Miss Jackson's room, No. 276 Pennsylvania avenue. Miss Jackson wrote something on a card, and sent it to the Treasury Department by a boy. Miss Jackson and myself took the five o'clock train for Philadelphia, and on our arrival there went to the Continental Hotel, in accordance with the previous arrangement made with Mr. Clark. Mr. Clark, it was understood, would follow in the next train. He did not arrive at the Continental Hotel until about nine o'clock the next day (Sunday.) On Sunday evening at eleven o'clock we all left Philadelphia for Washington, where we arrived on Monday morning about six o'clock a. m.

I desire to state that I have not made this statement under any threat, intimidation or promise, but have done so voluntarily with my own free will and accord.

LAURA DUVALL.

On this 9th day of April, A. D. 1864, personally appeared before me Laura Duvall, who, being duly sworn on her oath, said: That the foregoing statement she had heard read and knew the contents thereof; that all the statements therein contained are true of her own knowledge; that they are made freely, on her part, without fear or threat, or promise or reward or favor of any kind whatsoever.

A. G. LAWRENCE, *Notary Public.*

EXHIBIT G G.

*Statement of Miss Ada Thompson.*

I am an actress by profession; my residence is at 276 Pennsylvania avenue. I first became acquainted with Miss Jackson, I think, on the 12th of September last, when I took rooms at No. 276 Pennsylvania avenue, as stated above. On the 20th of September last Miss Jackson came to my room, and, in course of a conversation, she (Miss Jackson) informed me that she and a girl named Jennie Germon had made an arrangement with Mr. S. M. Clark and J. A. Henderson to dress in male attire, and accompany them

(Clark and Henderson) to the Canterbury. Miss Jackson asked me to fix her hair, so that she would look like a boy. I did not fix her hair. She went to Madame Dubois, who informed her that she could not arrange her hair without cutting it. While Miss Jackson was at the hair-dresser's, a note was left at Miss Jackson's room. The note was written in pencil and signed H. Handed this note to Miss Jackson on her return; when she read it, she remarked it was from Henderson. Miss Jackson read the note referred to in my presence. It stated that the suit could not be procured before Monday; that he, Henderson, would call for them, meaning Miss Jackson and Miss Germon, at seven o'clock; that they, Miss Jackson and Miss Germon, should come down and get into the carriage, and they would all go where they were to go by some previous arrangement. The carriage called and they all went away, and did not return until the following morning. Shortly afterwards Miss Jackson informed me that they went to the Buhler restaurant, met Mr. Clark, had supper, and then all went to the Central Hotel and took rooms. That she, Miss Jackson, slept with Henderson and Miss Germon slept with Clark. That Henderson got up about three o'clock in the morning and went home. Clark then came into Miss Jackson's room, and wanted to stay with her, (Miss Jackson,) but she refused. That they all, Mr. Clark, Miss Jackson and Miss Germon, got up at about nine o'clock in the morning; went to the Buhler restaurant, got breakfast, and then Mr. Clark went away, and Miss Jackson and Miss Germon went home. Some time, I think, in December last, that while I occupied a room adjoining Miss Jackson's and Jennie Germon's rooms, one morning about two o'clock I heard a great noise in their (Miss Jackson's and Miss Germon's) rooms. On the following morning I asked Miss Jackson why there was so much noise in her room? She replied that Clark and Henderson came home with her and Miss Germon about two o'clock, and they had all (meaning Clark, Henderson, Miss Germon and herself) had a good time at the office (meaning Clark's private office) in the Treasury Department. That they had all been drinking ale, and were all drunk, and that Clark and Henderson while in her (Miss Jackson's) room had a dispute as to who had the biggest leg, Miss Jackson or Miss Germon. That Clark and Henderson insisted that they, Miss Jackson and Miss Germon, should take off their clothes to have their legs measured, which they, Miss Jackson and Miss Germon, did. On or about the 20th of December last Miss Jackson informed me that Clark, Henderson, Laura Duvall and herself had made an arrangement to go to Philadelphia on the following Saturday evening, viz: December 20. That they (Miss Duvall and Miss Jackson) were to take the three o'clock train, Clark and Henderson were to follow in the next train. They (Miss Duvall and Jackson) went to the depot at three o'clock, but found there was no train leaving at that time. They came back to my rooms. I wrote a note for Miss Jackson to Mr. Clark informing him that there was no three o'clock train, but that they (Miss Jackson and Miss Duvall) would take the five o'clock train, and asking them (Clark and Henderson) to follow in the next train. Miss Jackson received a note from Mr. Clark, by the boy referred to, saying, "go on and we will follow you in the next train." Miss Jackson and Miss Duvall did go on and stopped at the Continental Hotel. Henderson did not go, owing to the arrival of some friends from Baltimore. They returned to my house at about six o'clock on Monday morning. Miss Jackson frequently informed me that she and other girls working in the Currency bureau have frequently drank ale in Mr. Clark's private office. During the month of December last Miss Jackson seldom came home before two or three o'clock in the morning. She stated to me that during these times she did not work later than ten or eleven o'clock; that the balance of the time, to two or three o'clock in the morning, she spent in Mr. Clark's private office. She has often come home

very drunk. She told me that Clark kept ale in his private office, and treated her and the other girls. I have often seen in Miss Jackson's possession obscene books, pictures and prints, which she (Miss Jackson) informed me were given her by Clark. She has also frequently informed me that whenever new girls applied for situations in the Currency bureau, Clark would come to her and ask her to find out all about them; that she would make the inquiries, and if she (Miss Jackson) reported that she thought they (the girls) could be improperly used by Clark, they were employed. I have made the above statement freely, without threat, intimidation or promise of reward; that I consider it my duty as an honorable and loyal woman to expose a system of the grossest immorality and impropriety practiced by Mr. Clark upon the female employees under his charge.

ADA THOMPSON.

Subscribed and sworn to this 10th day of April, 1864, at Washington, D. C.  
A. G. LAWRENCE, *Notary Public*.

#### EXHIBIT II II.

##### *Statement of T. C. Spurgeon.*

WASHINGTON, April, 10, 1864.

I have rooms at No. 276 Pennsylvania avenue. I am a printer by trade; work at the job printing office of Mr. Polkinhorn, on D street, Washington. I know Miss Ella Jackson and Miss Jennie Germon; they had rooms on the same floor I had. I have carefully read the sworn statement of Miss Ada Thompson, and certify to the principal facts therein stated. I have heard Miss Jackson say that she went to the Central Hotel, in this city, with Clark, Henderson, Miss Germon and herself; but when Henderson called for them (Miss Jackson and Miss Germon) to take them to the Central Hotel, that a strange man got on the carriage behind and saw where they went. I have heard Miss Jackson say that the man referred to, who followed the carriage, as stated above, had a sister or cousin in Mr. Clark's employ, but he had some time previous discharged her; that the man who followed them said he would go to Clark the next day and tell him (Clark) that if he did not at once take his sister or cousin back into his (Clark's) employ he would expose him (Clark); that Clark did take the girl referred to back at once, and that she (the girl) is still in Mr. Clark's employ. I do not know the name of the girl, having never heard it mentioned. I also heard Miss Jackson make a statement concerning her trip to Philadelphia, the substance of which is stated in Miss Thompson's affidavit. I have often seen Miss Ella Jackson come home late at night, or early in the morning, drunk, and have repeatedly heard her say that she was drunk from the effects of ale given her by Clark, in his private office, in the Currency bureau.

T. C. SPURGEON.

Sworn and subscribed to before me this 10th day of April, A. D. 1864.  
A. G. LAWRENCE, *Notary Public*.

#### EXHIBIT I I.

##### *Correct copy of the diary of Miss Ella Jackson.*

Friday, January 1, 1864.—It is now the first day of the new year, clear and beautiful, but I am not happy; everything reminds me of my dear mother. Oh, why did you not take me with you? Took a lesson in Bianca. At night

took a lesson at the office. 2d. The day is beautiful, but very—oh, I am tired of working, and am now suffering with a bad cough. It is now 8 o'clock, and I am working that infernal membrane machine. Had a glass of ale and went home at half past twelve. 3d. Very cold, but clear; sad day for me. Mr. English called and stayed three hours. Mr. S. was here in the evening. Oh, *ma, ma*, why did you *leave me*! 4th. Snowing very hard all day. Received \$62; worked at night; took a lesson in *Medie*. Mr. T. gave me a pack of cards. Had a glass of ale with S. W. C. 5th. Stopped snowing; felt badly all day; the sun shone beautiful in the afternoon. Poor Mr. C. went to see Charlotte Thompson play the Lunchback; can do better than her myself. 6th. Have a wretched headache; Frank gave me her picture; worked at night; took a lesson; drank a glass of ale with S. M. C.; got home at one o'clock; was very tired and sleepy. 7th. Laura is sick. I am not very well myself; worked at night; was snowing when I went home; held a conversation with Captain Hudson; like him very much; could like him more; but am afraid. 8th. Still snowing; am very sleepy; bought me a pearl-colored silk; saw Mr. English; he is a nice man; the afternoon is beautiful; worked at night; went home with Emma and staid all night. 9th. Got to the office late; presented Mr. Doughten with a—and broke down in my speech; drank wine; I could not see the captain; Captain Hay came to see me; worked at night. 10th. Arose at ten; dined at two; Captain Hudson came home with me last night; Mr. English was here; went to the concert with Captain Hudson; and like him very much; he is sweet. 11th. Bought a pair of kid gloves; came to the office; had an awful headache all day; went to the theatre with Captain Hudson; had supper; I like him very much in reality, but he is only put on. 12th. Feel badly; went to Russell's to dinner; went home and heard something that worries me very much; would that I were dead! Went to the office in the morning; got home at eleven. 13th. Feel very badly; oh! sick—why do I live? I am nearly crazy; went home at twelve; Captain H. came to see me in the evening; brought me candy and grapes. Oh, God! that I were dead. 14th. Feel wretched both in body and mind. Oh, God! what a life to lead; I am nearly mad; Captain H. spent the evening with me, and I told him all; Mr. T. called to see me; I went to bed at one o'clock; the *Major X.* called. 15th. Am worried. My God! did any poor devil ever wish for death as I do? But I suppose I must be content to live; if it were not for the sins I would so end my miserable existence. Captain spent the evening with me. 16th. Am very well indeed; went to the theatre with Phil to see Mrs. D. P. Bowers play Bianca; he came home with me and staid until three o'clock. 17. To day is my birthday; I am 18 years old; received a letter from M. Raguet, which made me feel sad all day; Phil spent the evening with me; he is sweet; I am now his; how long will this happiness last? 18th. Very rainy; saw Phil at the office; he spent the evening with me; I love him, and he says he loves me; but I doubt if he does love long; will it last? God knows if I had my say it would last forever! 19th. Cloudy; left the office at two o'clock; Phil came to see me in the evening; took me to the theatre; came home and . . . until morning; God knows I love that man dearly. 20th. Got up at halfpast seven; feel quite bright; received a note from Phil; how very kind he is; I believe he loves me; he was to see me in the evening; he was here until . . .; he is sweet; I love him. 21st. Got up at seven; feel very well; Miss Bull came down to see me; Phil invited me to go to the concert; I feel sad; I cannot live without excitement; Phil came about nine o'clock; staid . . .; he is sweet. 22d. Worked in the office all day; received a note from Phil; I love him; he came here at night; he is the only man I love in the world; he says he loves me; how long will it last? 23d. Did not go to the office to-day; Phil came in about one o'clock to see me; went to the theatre in the evening with Phil; went to Wil-

kins's and had supper. 24th. Got up at half past ten; went to sleep in the afternoon; Frank called to see me; felt sad; in the evening dear Phil came and staid until . . . ; God knows I do love that man. 25th. The day is beautiful; Alice came to see me; was vaccinated; went to the theatre with Phil to see Vestrali; he came home and staid until twelve; how I hated him to go; it had to be. 26th. Feel like the devil; left the office at one o'clock; was not able to work; Phil was here in the evening; had a very pleasant chat; Ada and Charlie were here until ten; Phil staid . . . ; God! how I love that man. 27th. Feel a little better; am not going to the office to-day; am not able; Mr. F. was here in the evening; Phil was here until . . . ; God bless him, don't I love him! he is sweet; I love him. 28th. Bought a pair of shoes; Phil was here of course; staid until . . . ; Great Heaven! how I love that man. 29th. Was in a good mood all day; Phil has got a son. My God! I will that change his love for me? Went to the soiree; had a very nice time; he came home with me; how I do love him! 30th. Gloomy day; Phil leaves to-night; what will I do without him? my darling has gone; went to the theatre at night; had the blues most awfully; how I do miss Phil. 31st. Missed Phil very much; how I do love that man! should he cease to like me, what would become of me; God only knows how dearly I love him.

February 1.—Received my money, \$52. Phil did not come home until eleven o'clock; bought a set of coral jewelry; in the afternoon took dinner at Russell's; took a bath in the evening. 2d. How glad I am that Phil has come. I did miss him so much. We went to the theatre. 3d. Feel very well indeed; was at the office all day. Phil came and brought Lieutenant Waterbury. Maggie Duvall was here. We had a nice time. 4th. Was at the office until two o'clock in the evening. Maggie and Lewis and Phil and myself went to see Vestrali. We had a box. Phil came home. 5th. was at the office all day; in the evening went to the soiree; left at twelve; was very tired. 6th. At the office in the evening. Mr. Teel called to see me; brought me cloth for slippers; gave me a ticket to go to Baltimore. Phil came about nine o'clock. 7th. Got up at eleven. Mr. Teel called and brought me a bottle of champagne. Phil came at eight. God knows I do love that man. How will I give him up? 8th. Spent the day in Baltimore; saw Mr. Ford. He has promised me to play; saw Mr. Grover; left at eight. Phil met me at the depot. He is sweet. 9th. Went to the office; staid home all the evening. 10th. Maggie was here with Mr. Williams. I don't like him. We took dinner at Russell's. 11th. Went to office. Phil came to see me in the evening. God knows I love that man. 12th. Was at the office; Maggie and L. were here. Phil came at ten, and brought his uncle Harry. I like him. Oh, Phil, how I do love you, darling! 13th. At the office. Maggie has gone to Philadelphia. God! I hope nothing will happen to the poor girl. Phil came in the evening. I love him. 14th. Got up at eleven. Phil came back at one; staid until three. 15th. Have not heard from Maggie yet. Phil was here at night. Fannie took the room. 16th. Phil was here at night. Oh, God, how I love that man! Maggie has come back. Captain Hay brought me a pair of tights. 17th. Very cold. My darling came at nine o'clock. How I do love him! 18th. Saw H. at the office; had a quarrel with Phil. Great God, how could I give him up? What would I do? 19th. Saw H. at the office. My darling watched me very closely. Does he love me as much as he pretends? I hope so, for I love him dearly. He knows it. 20th. Left the office half-past one; came home; dressed; called on Miss —; could not see her. Phil has been taking Mrs. Clark to the theatre. He came home at twelve. 21st. Feel very well; was weighed to-day; weight, 120 pounds. 22d. Maggie called here; have a bad headache. 23d. Called at Mrs. Forrest's; took a walk with Maggie; had my picture taken; dinner at Russell's. Phil was here at night. 24th. My Phil is going away to-night. How I will miss him! My darling has gone; went to the office. 25th. Engaged to

spend the day with Mrs. Forrest; had a nice time; went to the theatre; got home at half-past two. 26th. Went to the office; miss Phil very much; got a letter from him. 27th. Staid all night with Mrs. B. God knows I wish Phil would come home. 28th. Got home at ten. Maggie was here. 29th. At home all day. My darling has returned.

*Copies of letters addressed to Miss Ella Jackson.*

NOTE FROM HENDERSON.

The suit cannot be obtained to-night, but will be all ready by noon on Monday. As C. cannot go this evening, and your suit not being ready, we will postpone Canterbury until Monday night; but to-night, at 7 o'clock, we will take a ride, and C. will join us at supper, and then go where we did not go in last night. When the carriage stops at the door, come down in your ordinary dresses and I will be there, but will not get out. H.

When you and Miss Norton have examined this, please take care of it and give it to me this evening. It was lent me by Captain Pope. We will read it together this eve, if you have no objection. Did you try to exchange rooms? Do so, if possible.

MY DEAR DOCTOR: You seem to be so much sought after this morning and last evening, in very critical cases, that I am inclined to believe you might cure my severe headache if you would try; but to be in earnest, if I was ever mad in my life, it was to see you, dear Ella, consulting with that d—d puppy whom you know I dislike so much, and whom you pretend to dislike also. I hope it won't occur again. If it does—so be it.

MY DEAREST ELLA: I discovered the mistake you made just in time. I discovered it in Samuel's hands and took it away and burned it up. I knew your head ached so, my darling, that you did not know what you were about, and I was just about sending you word about it for fear you might worry, when your friend arrived here after it. I will come down early. Tell Spurgeon (I don't know how to spell his name) that I expect him to be at home to smoke with me. God bless you, my dear Ella.

Affectionately, your own

PHIL.

P. S.—Please don't give this to any one by mistake.

NEW YORK, January 31, 1864.

MY DEAREST PET: I arrived here this morning as well as a man could be after such a tedious ride of twelve hours, with no one to talk to that I cared for. How many, many times I thought of you, darling, in the little room at 276, and wish I was only there with you.

I found Mrs. H. and the "boy" as well as could be expected, and I must say I am proud of my work, for he is as pretty as a small baby can be, and will be a beauty, so the old nurse says; he has got my eyes, but is not old enough to have the teeth, as you say.

Dear Ella, you little know how much I miss you to-day. Would to God I could call on you at the usual time; but as I can't I must make the best of it. I shall leave here at 10 o'clock to-morrow, which will get me in Washington about 10 or half-past to-morrow evening. I shall come right to your room, and

hope to find you there *alone*; if not, I shall wait for you to come. I should leave in the early train, but have some business to attend to in the morning.

Remember your promise, dearest, and make Addie take a house with us. I will willingly pay half the expense she goes to.

With much love, believe me, yours ever,

PHIL.

JANUARY 15, 1864.

MY DEAR ELLA: What are you going to do this evening, and will you please tell me candidly whether you have or expect any engagement? You know, *Dear Ella*, that I am only happy when with you, but much as I love you I don't want to call *too often*, so you will lose what *little* friendship you may now have for me. You little know what a perfectly wretched night I could hardly keep from crying. You will *laugh* at this, I know, as you always do when I talk serious to you, but whatever I say I mean, and I do say I am *madly, deeply* in love with you, *dear, dear Ella*, and if you don't believe me why I can't help it; but one thing I do pray of you to do, and that is, to tell me when you do not wish to see me. *Ella*, can't you trust me with a secret; if you can't, why did you tell me what you did? God knows I would die before I would even tell or hint at what you told me; I love you far too well for that, *dear Ella*; but because I know what I do, I don't want you to feel obliged to treat me well, for if I never saw you again, or if you were to get mad with me, I would then die sooner than tell what I know of you.

Hoping you will believe what I have said, dear *Ella*, I am,

Ever yours, truly,

Please answer some time to-day.

PHIL.

MY DEAR ELLA: Would you like to go to Grover's this eve? I hear the play (*Ticket-of-Leave Man*) is applauded. If you would like to go send me word, and I will go down and get seats; that is, if you are not in fear of Colonel Baker. Please write me all about what you hear—I am very anxious to know. Give my compliments to Miss Boswell, and tell her I say go to —, a very warm place.

PHIL.

EXHIBIT J J.

Statement of Mano Lulley.

WASHINGTON, April 11, 1864.

I am by birth a Hungarian. I came to this country with Governor Kosuth in 1851. Have lived in Washington twelve years; at present reside at 406 K street. Have seven sons, all in this city; I have also three daughters. On the 16th of July, 1863, I applied to the honorable Mr. Harrington, Assistant Secretary of the Treasury Department, for permission to build a small building in front of the Treasury Department, on Fifteenth street, for my son, who was a cripple, for the purpose of selling soda water; this permission was granted by Mr. Harrington, and I had the building put up. Some time in September, 1863, I applied to S. M. Clark, through Mr. Plantz, the private secretary of Mr. Chase, for a situation for my little daughter, aged sixteen years. Mr. Clark asked me to bring my daughter to his office and he would see. I took my daughter to Mr. Clark as requested, and Mr. Clark put her to work in the bronzing-room, where she remained three weeks and three days, when Mr. Clark discharged her, and without assigning any

reason for her discharge. A few days after my daughter's discharge, I went to Mr. Clark and asked him why he discharged my daughter. He replied there was no work. I then went to Mr. Plantz and asked him why my daughter was discharged—whether she had done anything improper or wrong. He (Mr. Plantz) replied that he had spoken to Mr. Clark about discharging my daughter, and he (Clark) said that Lulley's son, who kept the soda stand in front of the treasury, had on a certain night followed him (Clark) and another gentleman and two ladies on Pennsylvania avenue into a certain restaurant. Mr. Plantz said he told Clark that was not right, that he (Clark) should not take advantage of the little girl in that way; that she (the girl) was not to blame. About three weeks after the conversation with Mr. Plantz referred to, I went again to Mr. Clark, and asked him again to take my daughter back, stating at the same time that I had heard the reason why he (Clark) had discharged my daughter was because my sons had seen him (Clark) and another gentleman and two ladies enter a certain place on the avenue. Clark said: "Bring back your daughter on Monday, and I will set her to work again." On Monday I took my daughter to the department, and Mr. Clark put her to work.

My daughter worked there one month. In the mean time, however, Mr. Clark had directed my daughter to work very late, until ten o'clock. She worked, I think, six nights, when I refused to allow her to go to the department at night at all. During the time my daughter worked nights, Mr. Gray, superintendent of the sixteenth division, under Mr. Clark, made the following proposition to my daughter: That if she (my daughter) would go with him (Gray) to a certain hotel in this city and submit to his (Gray's) wishes, he (Gray) would raise her (my daughter) salary to \$75 per month.

During the month referred to above my daughter was absent from work one half day. In compliance with the rules of the department, I went the following morning and reported to Mr. Clark that my daughter was sick. He (Mr. Clark) replied: "She must be here in the morning; work is very brisk." At the end of the month my daughter was again discharged. Mr. Gray wrote a note to Mr. Clark, in consequence of which Clark discharged her.

I have made this affidavit voluntarily, and of my own free will and accord, feeling that my daughter has been foully wronged by the base and shameful propositions made to her by Mr. Gray, and I am fully satisfied that Mr. Clark would never have taken my daughter back into his employ but for the fear of being exposed by my sons, who saw Mr. Clark with two girls employed in the department, as stated in this deposition. MANO LULLEY.

Sworn and subscribed to this 11th day of April, A. D. 1864.

A. G. LAWRENCE, Notary Public.

EXHIBIT K K.

Statement of Anthony Lulley.

WASHINGTON, April 11, 1864.

I am the son of Mano Lulley. I have carefully read and heard read the statement of my father. I am employed as a clerk in the store of S. Groscheimer, at No. 385 Seventh street, Washington.

Some time in September last my brother and myself closed our soda stand about eight o'clock in the evening. We then walked down the avenue together. When we arrived opposite the Kirkwood House we saw Mr. S. M. Clark standing on the sidewalk in front of No. 276 Pennsylvania avenue. While standing there I saw two ladies come down stairs. Mr. Clark took one of these ladies and the other gentleman the other. My brother and my-

self followed the party down the avenue to Russell's restaurant. We then turned around to come up the avenue, when we met Messrs. Dugan and Hogan. They asked us who that was that went up stairs. We replied, Mr. Clark and Miss Jennie Germon; the others we did not know. Some time after the conversation referred to above, and after my sister had been discharged by Mr. Clark, I met Mr. Dugan, a detective officer, and informed him that my sister had been discharged by Mr. Clark from the department in consequence of Clark having heard that I followed him (Clark) at night. Mr. Dugan replied that he had not told Mr. Clark anything about it.

I have made this statement voluntarily, without promise of reward or compensation of any nature whatsoever.

ANTHONY LULLEY.

Sworn and subscribed to this 11th day of April, A.D. 1864.

A. G. LAWRENCE, *Notary Public.*

---

EXHIBIT L L.

*Report of the Solicitor of the Treasury upon the report of Colonel Baker and the affidavits "D," "E," "F," "G," "H," "I," "J," "K."*

TREASURY DEPARTMENT, SOLICITOR'S OFFICE,

April 19, 1864.

SIR: I have the honor herewith to transmit a report made to me by Colonel L. C. Baker, together with a number of affidavits, affecting the conduct and character of S. M. Clark and G. A. Henderson.

In accordance with your instructions, I exhibited these affidavits to Mr. Clark, stating to him that I did so by your direction, and in order that he might have an opportunity to make such explanation or reply as he should deem proper. His reply to me was, that as to anything alleged against him impeaching his conduct or character as an officer of this department, he denied it utterly; and that as to any other matter, he scorned to make any answer.

I have further, in obedience to your order, called before me most of the persons whose affidavits are herewith transmitted, and made such other inquiries as it has been in my power to make touching the matter stated in the affidavits, and the result is an entire conviction that the most material of those statements are true, particularly those contained in the affidavits of Ella Jackson, Jennie Germon, and Laura Duvall.

What action, if any, ought to be taken, in view of these facts, is, of course, not a question for me to consider.

I have the honor to be, with high respect,

EDWARD JORDAN,  
*Solicitor of the Treasury.*

Hon. S. P. CHASE,  
*Secretary of the Treasury.*



**END OF  
TITLE**